



STANDING COMMITTEE ON HUMAN SERVICES

Hansard Verbatim Report

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**STANDING COMMITTEE ON HUMAN SERVICES
2005**

Ms. Judy Junor, Chair
Saskatoon Eastview

Mr. Wayne Elhard, Deputy Chair
Cypress Hills

Mr. Lon Borgerson
Saskatchewan Rivers

Hon. Joanne Crofford
Regina Rosemont

Mr. Glenn Hagel
Moose Jaw North

Mr. Ted Merriman
Saskatoon Northwest

Mr. Don Toth
Moosomin

[The committee met at 15:00.]

The Chair: — Welcome to the Human Services Committee. I would like to start the committee proceedings today by introducing the members of the committee or have them introduce themselves. I am Judy Junor, Chair of the Human Services Committee, the member from Saskatoon Eastview. We'll start with Mr. Hagel.

Mr. Hagel: — Glenn Hagel, MLA [Member of the Legislative Assembly], Moose Jaw North.

Mr. Borgerson: — Lon Borgerson, MLA, Saskatchewan Rivers.

Hon. Ms. Crofford: — Joanne Crofford, MLA, Regina Rosemont.

Mr. Toth: — Don Toth, MLA, Moosomin.

Mr. Morgan: — Don Morgan, MLA, Saskatoon Southeast.

Mr. Elhard: — Good afternoon. Wayne Elhard, MLA, Cypress Hills.

The Chair: — And Mr. Elhard is the Vice-Chair of the committee. At the same time, before we start, for the members and since this is the first meeting of the Human Services Committee in this legislative session, there's a couple of things I'd just like to mention.

The rules of the committee, this committee sitting here, are the same as the rules of the House. As tone, decorum, that sort of thing, they apply here as well as they do in the House. I'd also like to advise the ministers when they sit, and the ministers' staff, to introduce themselves when they speak for the ease of Hansard recording them.

There has been some correspondence come to the committee since we last met, and I will table those documents today on behalf of the committee that we've received these.

The first order of business is the Chair has been advised that the committee has received an order of the Assembly dated November 21, 2005, to consider and report back on the supplementary estimates for the following departments, in no particular order except that how they were ordered to us: vote 3, Justice; vote 5, Learning; vote 27, Culture, Youth and Recreation; vote 32, Health; vote 73, Corrections and Public Safety.

The next item that I'd like to discuss is the agenda which you all received. It's on the yellow piece of paper. And the order is . . . I would like to change the order since the departments have been scheduled otherwise.

The departments have agreed to come, and the ministers have agreed to come on a different time frame that was printed on this agenda. We have Justice first; Health second; and CYR, Culture, Youth and Recreation, third in the actual scheduling of departments; and then Learning after CYR. And if that's okay with the committee, we will so amend the yellow agenda.

Agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay. Then the next order of business is that the name of Wayne Elhard be substituted for the name of Mr. Cheveldayoff on the Human Services steering committee. Apparently Mr. Cheveldayoff's name is still on, and we'll take that off and put Mr. Elhard's name on. We need a person to move that motion. Mr. Morgan.

Mr. Morgan: — So moved.

The Chair: — So we have a motion. Moved by Mr. Morgan:

That the name of Wayne Elhard be substituted for the name of Mr. Cheveldayoff on the Human Services Committee.

All in favour?

Some Hon. Members: — Agreed.

The Chair: — Agreed. That's carried. I do also want to remind the members that we've previously ruled in this committee that under supplementary estimates, the line of questioning must be relevant to the supplementary estimates under review.

**General Revenue Fund
Supplementary Estimates — November
Justice
Vote 3**

Subvotes (JU04), (JU05), and (JU08)

The Chair: — So the first item of business is the estimates for the Department of Justice found on page 15 of your Supplementary Estimates. I'd like to invite the minister to introduce himself and the officials present with you today. And if you have an opening statement, please present it now.

Hon. Mr. Quennell: — Thank you, Madam Chair. With me and sitting to my immediate right is Keith Laxdal; he's the associate deputy minister, finance and administration division. To my far left is Betty Ann Pottruff, executive director, policy, planning and evaluation. And to my immediate left is Murray Sawatsky, executive director, law enforcement services.

At the table behind me is Elizabeth Smith, executive assistant to the deputy minister of Justice; and Gord Sisson, director, administrative services. Behind them in the back are Murray Brown, executive director, public prosecutions; Jerry Fuchs, manager, financial services, community justice division; Rod Crook, assistant deputy minister, courts and civil justice; and Larry Anderson, Crown solicitor, civil law.

In respect to the supplementary estimates of \$4.1 million in 2005-2006 for the Department of Justice, additional funding is required in 2005-2006 to offset unanticipated expenditures and new programs approved mid-year relating to the Milgaard inquiry at \$2.9 million; Project Hope, \$250,000; gang suppression initiative, \$745,000; missing persons initiative,

\$145,000; recruitment of Aboriginal police officers, \$50,000; and salary enhancement for community-based organizations, \$21,000.

With a better defined schedule of public hearings, dates, and participating parties, \$2.9 million is being allocated to complete the Milgaard inquiry. For the Premier's Project Hope initiative, two investigators for the safer communities and neighbourhoods program and promotion of the toll-free tip line will assist in the cleanup of drug houses. Additionally two resource officers will directly help young people at risk of involvement with substance abuse. These resources will be deployed by January 2006.

We will begin implementation of a gang suppression initiative and will provide resources to assist police services in their efforts to locate missing persons. To assist in the recruitment of Aboriginal officers, we are developing an Aboriginal recruiting strategy in conjunction with municipal police services. And \$21,000 will be provided for enhanced wages and benefits for community-based organizations funded by the department.

And I'm ready for the committee's questions on those matters.

The Chair: — Questions. Mr. Morgan.

Mr. Morgan: — Thank you, Madam Chair. Minister, when we started this process, we had agreed on a relatively tight timeline that Justice would run from 3 to 3:45. It's my intention to go through as much as I can between that period of time and then to move into whatever the next topic, issue. So you know, we're pushed to those constraints. So I want to apologize now to your officials if they're required to come back at another point in time. So hopefully we can get through this as much as possible.

With regard to the Milgaard inquiry, my questions . . . and I'll sort of ask them all at once, and that may make it easier to answer. I'm wondering why at this point we're needing yet again additional resources. I'm wondering what other information was learned that was different from when we started out.

So my questions are, how much money was originally allocated? How much was the first increase? How many times have we increased it? And how many sitting days do we ultimately expect to have? And sort of how much per sitting day is this process costing us?

Hon. Mr. Quennell: — Okay. The commission budget was initially set at \$2 million based on the following assumptions: 35 hearing days, office open for 12 months, commissioner spending 100 days in Saskatchewan and 100 days in his home province which is Alberta.

The commission is now forecasting total expenditures of \$7.7 million based on the following assumptions: 137 hearing days, an office open for 26 months, and 10 funded parties. Seventy-five per cent of the total cost of the commission we expect to be from legal fees.

Mr. Morgan: — So we've had about a 400 per cent increase from what we were originally anticipated. I'm wondering what we learn now by way of number of witnesses or what we've

discovered as we got into it that wouldn't have been readily apparent at the outset.

And having said this, I'm not saying that the commission is not doing good work because I think the commission is working hard. Both the commissioner and commission counsel are doing an admirable job with the circumstances they have to work with. I'm just questioning why we made such a flawed estimate at the beginning.

Hon. Mr. Quennell: — I'm not sure I could add much more to the first answer I gave. The assumption at the beginning was that with the amount of history and documentation that the commissioner would have a great deal of reading to do but that there would be approximately 35 hearing days. That assumption has proven to be incorrect.

We are now working on the assumption of 137 hearing days, which is four times. And that probably has as much to do with the budget going up by four times as anything else.

Mr. Morgan: — Did we not have a list of intended witnesses, or was there not a discussion, you know . . . Did somebody in the department not look at it and say, gee there's 30 people, or there's likely this many? I mean, somebody in the department would have had to have been responsible for laying some groundwork for the commissioner. It's a huge increase over what was originally budgeted.

Hon. Mr. Quennell: — The department doesn't control the witness list, and I'm sure the member understands that. What I understand from the commission is that of course after the original budget was set and it began their work, they prepared a list of the name of every person that had any connection with this file that was mentioned in any document and began to glean out of that list who the potential witnesses would be.

That work was done by the commission, not by the department. And of course it was done once the commission had begun its work.

Mr. Morgan: — Minister, I'm wondering . . . I would like to go back to the Stonechild inquiry and ask how many days that inquiry was originally scheduled for, how many days it actually sat, and how much the cost increased from what was originally budgeted for Stonechild as to what was the actual at the end of it.

Hon. Mr. Quennell: — The final cost of the Stonechild inquiry was approximately \$2 million. I don't have with me today, and my officials don't have with them today, the original estimate before the commission was struck or when the commission was struck as to what it would cost. The \$2 million that Stonechild actually cost was, I expect, at least partly the basis for the estimated cost of the Milgaard inquiry when it began. That perhaps was a little over-optimistic.

The circumstances that were being investigated in the Stonechild inquiry were somewhat simpler and much centred around what had taken place in about a three-day space of time. As you will recall, as the member will recall, as everyone here will recall, the discovery of the body of Neil Stonechild and the few days before when he was last seen and the investigation

following the discovery of the body, which was about a three-day period, there would have been a lot more information, a lot more potential witnesses, and as it turned out a lot more witnesses in respect to the Milgaard inquiry . . . [inaudible interjection] . . . Oh I'm sorry. I think we have found a document that will help with the member's question.

The initial estimate for the Stonechild inquiry was \$800,000 based on an estimated 24 hearing days. The inquiry actually sat for 43 hearing days and the cost of the inquiry came in at approximately \$2 million. So the estimate was \$800,000. The final cost was about \$2 million. The estimate before the inquiry was held was 24 hearing days, and the inquiry sat for 43 hearing days.

Mr. Morgan: — So we know Stonechild was over budget by about 250 per cent, and Milgaard appears to be approaching 400 per cent over budget. I'm not saying that we may not want to make different decisions whether we go ahead with them, but when we're budgeting there should be a message back to the department when your magnitude of error is out several hundreds of a per cent when we start off. And it's probably an indication that we shouldn't have to be coming back for supplemental estimates if we budget for them appropriately at the beginning because both of those were vastly understated at the beginning. Thank you for that.

There's additional money for two public prosecutors, I understand?

Hon. Mr. Quennell: — Yes.

Mr. Morgan: — I'm wondering where those prosecutors will be situated and how their role will be defined. Will it just add to the regular rotation of prosecutors, or will they have a specific role considering the safer communities target?

Hon. Mr. Quennell: — The prosecutors will be assigned to Regina and to Saskatoon. They are not simply adding to the complement of the Crown prosecutors.

As I announced when we announced the gang suppression initiative, they will be designated to specifically deal with issues of organized crime, and not just the prosecution of those issues but assistance to the police who are themselves designated to be dealing with gangs and organized crime, to assist with the investigations with receiving the appropriate court orders and warrants for wiretaps and surveillance.

Mr. Morgan: — Will they report to or be under the direction of the director of public prosecutions or under the direction of somebody under safer communities or how is that . . .

Hon. Mr. Quennell: — The prosecutors will report to the director of public prosecutions.

I've been joined at the table, Madam Chair, by Murray Brown.

Mr. Morgan: — You are also adding a number of police officers that will be working in the safer communities initiative as well. I'm wondering where those officers will be located.

Hon. Mr. Quennell: — Of the two officers being added under

Premier's Project Hope, the two investigators, the safer communities and neighbourhoods investigators, one will be going to Regina; one will be going to Saskatoon.

Mr. Morgan: — Will those officers be part of the municipal police forces in each of those jurisdictions?

Hon. Mr. Quennell: — No they will be part of the safer communities and neighbourhoods investigation unit which is part of the Department of Justice, separate from prosecutions or a police force.

Mr. Morgan: — Where will they work out of, or what will they be using for office or administrative space?

Hon. Mr. Quennell: — We have office space in both Regina and Saskatoon.

Mr. Morgan: — Within the existing police station or elsewhere?

Hon. Mr. Quennell: — Within the existing department space.

Mr. Morgan: — Okay. And those people, I understand, are going to be retired officers or something, that people have been brought back from elsewhere.

Hon. Mr. Quennell: — It has been the practice so far to hire investigators who have considerable police experience.

Mr. Morgan: — And these people will still be sworn in as peace officers?

Hon. Mr. Quennell: — Yes they will be peace officers.

Mr. Morgan: — Will they be subject to the disciplinary procedures of The Police Act?

Hon. Mr. Quennell: — They are not employees of a municipal police force. They're not employees of the RCMP [Royal Canadian Mounted Police]. They're employees of the Department of Justice and will be subject to the discipline that any employee of the Department of Justice would be subject to if discipline was required.

Mr. Morgan: — So these people will be outside of the police complaints commission as well?

Hon. Mr. Quennell: — Yes. They're not police officers. They are special constables and therefore peace officers, but they are directly employed as employees of the Department of Justice.

Mr. Morgan: — They would not have a police chief to report to then?

Hon. Mr. Quennell: — They would report to a director of public safety or director of community safety . . . is that the title?

Mr. Morgan: — They would not be able to avail themselves of the two pieces of legislation that you brought in last session where applications would be brought by the police chief then?

Hon. Mr. Quennell: — None of them will be police chiefs, no.

Mr. Morgan: — So they don't report to a police chief. They don't have a police chief they work for, so they can't avail themselves of those pieces of legislation without going to another jurisdiction, to another . . .

Hon. Mr. Quennell: — If we're talking about The Criminal Enterprise Suppression Act and The Seizure of Criminal Property Act where applications must be made by a police chief, nobody employed in the safer communities and neighbourhoods investigation unit would be a police chief within the meaning of those Acts. And none of them would be able to make that application benefit under safer communities.

I answered the question that they are not . . . none of them would be police chiefs within the meaning of those two Acts, so none of them would be able to make those applications.

Mr. Morgan: — So my question is, what good are those Acts if you don't have a police chief that these people are working for, reporting to, that would bring applications under those Act?

Are those Acts only of benefit to municipal police forces? I mean, I thought this was supposed to be part of a comprehensive program that was going to deal with communities and neighbourhood crime. And now we've got this body of police officers that don't have a chief, so they can't avail themselves of those two Acts.

Hon. Mr. Quennell: — With respect, Madam Chair, the safer communities and neighbourhoods investigators are in place to implement the provisions of The Safer Communities and Neighbourhoods Act, which predates either of the two Acts that the member is raising. And they continue to be there for the purpose of implementing that Act, not subsequent legislation, the current legislation being tools not given to the safer communities and neighbourhoods investigators, which have their own tool. They have their own legislation. Those are tools that have been given to police forces in the province.

Mr. Morgan: — But if they come across one of these criminal enterprises or proceeds of crime, they can't do anything about it under those two Acts; that's where I'm going with this. As far as a comprehensive plan, it doesn't exist.

Hon. Mr. Quennell: — Well, Madam Chair, the member is jumping to assumptions that are just mistaken, and perhaps I will try to correct them. Safer communities and neighbourhoods investigators in our province work extremely closely — have since the inception of the initiative, Madam Chair — with police forces, work extremely closely with the Regina Police Service for example and extremely closely with all the other police services.

And what these investigators learn in the safer communities and neighbourhoods unit is often quite helpful, I understand, to other police services in their investigations, and I believe, vice versa. Not only because it makes good operational sense to do it that way, but I expect that even where these investigators come from, what their former occupation was, that there continues to be a number of personal relationships between the investigation unit and the police services in the province.

They work very closely together. The police leadership of Saskatchewan is very pleased with the safer communities and neighbourhoods initiative and very pleased with how it's being implemented.

Mr. Morgan: — What you're telling us is that they get along well, and hopefully they'll be able to tell the police force about it, and maybe it'll work that way. But they can't bring these applications themselves or go to their police chief because they don't have one.

Hon. Mr. Quennell: — Madam Chair, the member was the one who raised tight timeline. To answer the question again, nobody who works in the safer communities and neighbourhoods unit is a police chief within the definition of The Seizure of Criminal Property Act or the suppression of criminal enterprises Act.

Mr. Morgan: — Minister, you created these laws; I didn't. I'm just asking how they're going to work, and these people can't use those two pieces of legislation. What they have to do is create a report, transfer it to somebody else with the hope that they will be able to duplicate the investigation and bring whatever application is appropriate under those two pieces of legislation. They don't have those tools because they don't have a chief. That's my understanding. And I haven't heard otherwise today.

Hon. Mr. Quennell: — The tools set out in The Seizure of Criminal Property Act and suppression of criminal enterprises Act are tools provided to the police services of the province. The entire province is policed either by a municipal police service or by the RCMP. All of the province is covered by that legislation.

Mr. Morgan: — Or by these officers that are outside of that.

Hon. Mr. Quennell: — And there are particular initiatives not being carried out by police but being carried out by the safer communities and neighbourhoods initiative, which is a program of unparalleled success. But it has a particular focus, Madam Chair, and the focus is this. A citizen who lives in the province of Saskatchewan, who lives near a building where unlawful activity is going on which threatens the security of the people in that neighbourhood can make a confidential complaint to an office in the Department of Justice which will result in investigation of these officers who do this job. That is what they do.

They are not police officers who do anything else. They implement and carry out this initiative. And they have, in a matter of a few months, Madam Chair, had a great impact on some of these neighbourhoods in our cities and throughout the province. They're not members of a municipal police force. They're not members of the RCMP. That was quite deliberate. They're people who do this one job, and they do it very well.

Mr. Morgan: — And how does a member of the public have any idea whether they're supposed to phone the safer communities people or whether they're supposed to phone a police office, the municipal police force. How do they know whether there's going to be an application necessary in one of these Acts? I mean, if you live next door to a house using drugs or being sold from, does a citizen . . . Who do they phone?

Hon. Mr. Quennell: — Madam Chair, I thought the opposition supported safer communities and neighbourhoods legislation.

Mr. Morgan: — We do. I'm trying to help the public understand how they might avail themselves. We're committing a significant amount of resources to this. We want this to work. We believe in safer communities.

What you've done is you've created two separate police forces, one that's accountable in the usual fashion, one that's not; one that can use certain tools, one that can't. And maybe you can bring it together. And I wish every success to those people that are trying to do it.

And my question to you is, legislatively they can't do it. They've got to transfer the information from one police force to the other one. My next question is going to be what about if there's a complaint about one of those officers. They go to the police complaints commissioner. He says, oh I can't answer. I can't help you with that. These people are somehow outside of that. Do these officers belong to the police federation or the police association?

Hon. Mr. Quennell: — I'm not sure what union they might belong to. Maybe they belong to SGEU [Saskatchewan Government and General Employees' Union] if we're talking about the safer communities and neighbourhoods investigators. But I'm not sure about that. That would be an assumption on my part at this point.

Citizens can contact the safer communities and neighbourhoods investigation unit by calling 1-866-51-SAFER. A lot of people know how to get a hold of their police in case of an emergency. In the case of an emergency, I would recommend calling your police. In the case of the circumstances that I've described for which the initiative was formed, they could either call their police or call safer communities and neighbourhoods.

The police are very familiar with the safer communities and neighbourhoods investigation unit, and my experience has been, as a result of correspondence I've received from citizens, that in appropriate cases police officers or the police dispatcher will often suggest that the citizen call the safer communities and neighbourhoods office and give them the number.

Mr. Morgan: — Have you given any thought to having one central dispatch where the call comes in, where the citizen doesn't have to decide or isn't told to go from one place to another? I can't imagine something more frustrating for an individual when they've got a neighbourhood crack house. They phone the police, but oh you should be phoning safer communities. Or they phone safer communities and say, oh there appears to be significant crime there; they may want to shut that one down. You have to phone the police.

I appreciate that the two branches hopefully will work together. But if you're a member of the public, do you want to have that, that you have two phone numbers, two parallel services? I'm just asking the question how the public knows, how the public knows what tools are available.

Hon. Mr. Quennell: — Madam Chair, the number that I just gave is a province-wide toll-free number. I have not received

one letter of frustration from the public about the safer communities and neighbourhoods investigation unit. I have received a number of letters — and this is almost, I would say in my experience in all the programs administered by Justice, this would be, if not unique certainly unparalleled — a number of letters, unsolicited correspondence from citizens about their experience with what's been done in their neighbourhood by making that phone call.

And I don't have them with me. I didn't realize that we would be discussing the program and putting it under review today, but next time I come to estimates I will bring some correspondence with me.

Mr. Morgan: — Well I don't think this is necessarily the appropriate place to bring your letters of support. I think what you want to do is be able to satisfy the people that are working in this initiative, that they do have good co-operation and the lines of communication are there, that they're not duplicating efforts.

You might also want to give some consideration to whether you've got an appropriate disciplinary process for the other officers so that if a complaint comes, that they're not shuffled off because you will have some unhappy people because I'm sure the complaints will happen. They're inevitable.

And you might also want to consider whether they shouldn't belong to a different professional association so that they can avail themselves of the disciplinary procedure.

We know we had significant problems with retired Sergeant Rick Watson earlier this year, where the complaint sat in limbo. Now we're going to be having to tell the public, oh you don't have the right to complain about this person. And I can understand that likely what's going to happen is if a complaint happens against one of these officers, it will be treated as a personnel matter, and we'll have growing dissatisfaction among the public.

What we want to have and what we want to strive for is an open and transparent process in dealing with these officers as they go through this. And I don't mean this in any way critical of them. Complaints happen against police officers, and police officers have a right to know that the complaints are being dealt with expeditiously, as does the public.

So we should ensure that these officers are subject to that as well, that these officers are subject to the same provisions dealing with their collective agreement and everything else.

I'm going to move on now, Madam Chair.

Hon. Mr. Quennell: — Madam Chair, I want to respond to that last comment because I'm not done answering the questions from the member in respect to these investigators and to their responsibilities.

We can't have growing dissatisfaction with this initiative because we don't have dissatisfaction. We have a great deal of satisfaction. And maybe that will, maybe that will go away. I mean it's . . . But the only thing that can grow now is the satisfaction that already exists with this program.

To clarify a little I think on the issue of the safer communities and neighbourhoods investigators being able to use the other legislation, both The Criminal Enterprise Suppression Act and The Seizure of Criminal Property Act allow the Crown to make the application in the place of the police chief.

So it is either possible that, given the excellent co-operation between the safer communities and neighbourhoods investigation unit and police forces, that a local police chief would make an application based upon the material and evidence gathered by safer communities and neighbourhoods investigators, or it is possible that my department would make such an application in the place of a police chief as allowed under either one of the Acts based upon the evidence and information gathered by the safer communities and neighbourhoods investigation unit.

So the ability of the unit to use evidence that it gathers to use either one of those Acts that the member has referred to, The Criminal Enterprise Suppression Act or The Seizure of Criminal Property Act is twofold. They can either go through a police service, or they can, as the Crown, proceed through my office as the Attorney General and make the application. So there's no difficulty with safer communities and neighbourhoods using that legislation as well as their own legislation, although primarily those two Acts were tools that were provided to police in this province and a safer communities and neighbourhoods initiative is a somewhat separate initiative.

I have a responsibility to investigate any complaints against special constables, which is a little different than any other, you know, civil servant who might be in my department. And certainly if there is any allegations of criminal misconduct, well those will be investigated and if found to have . . . may result in a conviction. If there is a reasonable likelihood of resulting in conviction, they would be prosecuted.

Mr. Morgan: — Minister, you've chosen to set up a parallel police force for this initiative, and I don't have a problem with the fundamental decision that you've made to do that. What you've done is you've created another species of police that is not accountable in the usual fashion, that's not subject to the collective agreement, that's not subject to the disciplinary process. And what you've done is you've said you personally will look after the complaints, you personally will look after the process if they need to bring applications under that.

Last spring you sat here and said no, you want police officers to do that. Now you're saying well because this is a special group, you're going to do it. You might want to go back and want to revisit your structure on that so that it is open and transparent so that the public will have confidence on it as you move forward.

I want this to be a program that works and produces positive results. I raise these issues not out of politics but because I want this to be a program that works. We're spending a lot of taxpayers' money on this program, and it should produce some positive results. And those are my comments with regard to that.

Hon. Mr. Quennell: — Madam Chair, I would — and it's a personal opinion to a certain extent — but I don't think there is

a bigger bang for the taxpayer's buck than a safer communities and neighbourhoods initiative. It is a relatively inexpensive program that is having great results. The ability of the Crown to act in the place of the police chief in The Seizure of Criminal Property Act or The Criminal Enterprise Suppression Act has been there from the very beginning, from when those Acts were introduced in the legislature. So there is no change there. I know the member is concerned that that wasn't there. It's always been there.

And I appreciate his concerns for public employees and that they be well represented by unions. It's been confirmed to me that all the investigators are represented by SGEU as a matter of fact and only the director is out-of-scope.

The Chair: — Are you done with Justice? Okay. Mr. Elhard.

Mr. Elhard: — Madam Chair, I move:

That this committee adjourns consideration of the supplementary estimates for the Department of Justice.

The Chair: — All in favour?

Some Hon. Members: — Agreed.

The Chair: — It's been moved by Mr. Elhard:

That we adjourn consideration of the supplementary estimates for the Department of Justice.

And we've all agreed. So we'll now move on. Let the officials change.

While we're doing that, the previous motion that we had to add the name of Mr. Elhard and remove the name of Mr. Cheveldayoff to the membership of the Human Services Committee was out of order, as it was not made by a member of the committee.

And for the viewing public, the duly elected members of the committee may vote and move motions as well as ask questions. Other members of the Assembly may attend the committee meetings and ask questions but may not vote or move motions. Mr. Toth.

Mr. Toth: — Thank you, Madam Chair. I'd like to move:

That the name of Wayne Elhard be substituted for the name of Mr. Cheveldayoff on the Human Services Steering Committee.

The Chair: — Thank you. We have a motion from Mr. Toth to add Mr. Elhard's name and remove Mr. Cheveldayoff's name. All in favour?

Some Hon. Members: — Agreed.

The Chair: — Agreed. So moved and carried.

The next item up for business before the committee is the estimates for the Department of Health found on page 13.

**General Revenue Fund
Supplementary Estimates — November
Health
Vote 32**

Subvotes (HE01) and (HE03)

The Chair: — I'll ask the minister to introduce himself and his officials.

Hon. Mr. Nilson: — Yes. I'm John Nilson, the Minister of Health and Minister Responsible for Seniors. And I'm pleased to have with me Graham Addley, the Minister for Healthy Living Services; as well as Mike Shaw to my left, who's the associate deputy minister. To Graham's left is Duncan Fisher, the assistant deputy minister. And Lawrence Krahn is with me, also assistant deputy minister; Ted Warawa who's the executive director of finance and admin; and Leslie Grob who's the assistant to the deputy.

The Chair: — And, Mr. Minister, if you have a comment to make or any statement to make before we begin, you can do so now.

Hon. Mr. Nilson: — Well we're here to talk about the supplementary estimates, and we have a rather large amount of money, but it I think is reflective of a number of things that have been happening since the spring around overall expenses in the health care system. I would note that the net result of this puts the expenditure of the government for health services just over \$3 billion.

The Chair: — And before we entertain questions, I just want to ask the officials, if you speak, please identify yourself at the mike the first time you speak so *Hansard* can record your name. Questions then. Mr. McMorris.

Mr. McMorris: — Thank you, Madam Chair. I know the estimates, supplementary estimates, we stay pretty much to the numbers. I did have a couple other questions that, if I have time at the end, I'll fit them in. One is regarding . . . and maybe I'll just maybe give notice right now that if I don't have time to ask the question, certainly the issue is brought up.

The one is regarding The Hearing Aid Sales and Services Act that was passed in 1999 and not proclaimed yet, and just some issues around that. And the other one is regarding the Butler heart transplant patient that went to Edmonton, and just some of the issues around that, when they went on the bus as opposed to . . . I'll have some questions on that if we have time.

But certainly when there's \$114 million, there's a number of questions I want to ask around that to begin with. And starting with the first line item, central management and services, \$250,000. Could you explain that, the role of that allotment of money I guess, first of all.

Hon. Mr. Addley: — Sure. I'm Graham Addley, the Healthy Living Services minister. And this is the . . . First just thanks for having me at the committee, and I appreciate being here on this side of the table.

But this is what . . . is the money that's allocated to create the

ministerial office. There's no additional money for creating the department. We haven't added a department. We haven't split the department. Basically the assistant deputy minister reports now to two ministers.

Mr. McMorris: — So the creation of the new office, the ministerial office, how many employees, full-time equivalents and . . . I'll start with that. How many full-time equivalents?

Hon. Mr. Addley: — It's like every other ministerial office. There's five staff in the office — three MAs [ministerial assistant] and two support staff.

Mr. McMorris: — So it doesn't have any bearing on the amount of responsibility of the role. Certainly I realize Healthy Living is an important part of the ministry, but when you look at that whole responsibility compared to many other ministries . . . So what you're saying is there's still the full complement of staff regardless of the scope of responsibility?

Hon. Mr. Addley: — That's right. And yes, if you were comparing the amount related to the entire Health budget, it's a fairly small percentage of it. But when you compare it to other ministries in government, it's not the smallest by any stretch of the imagination.

And I think too the areas that are being covered within Healthy Living Services, this is a new direction in Canada just in the last number of years. The federal government has an equivalent. Ontario, Manitoba, and I believe Nova Scotia also has this.

We're talking about in this case a \$3 billion budget. It's approximately 45 per cent of government. And the aspect that is being covered under the Healthy Living portfolio is what's called upstream management of issues, so that rather than wait until the individual is sick and treating them, if we can make some changes either in the individual or in the environment, we can actually help people to make healthy choices but also changing environment so it's easier for them to make healthier choices so they stay healthier longer and don't use the health care system as much or as soon.

Mr. McMorris: — So there's an office created with five employees including the minister. It has no budget per se other than what's in the health care budget to implement programs. So there's five new employees, administration staff, and a minister with no budget other than again what's in the Health budget.

So I guess, what is the role going to be then of these five employees, five new administrative employees, and the minister when they have no budget?

Hon. Mr. Addley: — Well currently the issue that's taking a lot of time is the implementation of Project Hope and overseeing that. And that's the one that's been getting quite a bit of coverage recently — a 60 per cent increase in the budget on addiction services, an additional \$15 million approximately to a \$40 million budget.

It's a transformation of the addiction services in Saskatchewan. And one of the things that they've found in other provinces is that when this type of minister is introduced, that areas that are

more upstream, as it were, are starting to get more priority. And it is actually creating a benefit to taxpayers and to the public.

Mr. McMorris: — Okay. I'll move on to the bulk of the money, the supplementary estimate of 114 million. The bulk of the money is going to the regional health authorities. It's going to be broke up in between the health authorities. Could the minister give me some form of breakdown as to . . . Certainly Regina and Saskatoon health authorities will be receiving the bulk. Do you have a breakdown of how the monies will be divided up?

Hon. Mr. Nilson: — Well I will try to do that. What this money represents is a number of individual issues that have come up in about six of the health regions. And so we're continuing to work at that.

But it also relates to a number of the bargaining issues that we're dealing with right now and some of the continual working through of appeals around the joint job evaluation.

And so it's not . . . so I can't give you an exact amount as to what would go to each health authority at this particular time because it'll continue to evolve I guess as we go over the next few months. But it's based on the number of employees. So the biggest region in the province is Saskatoon, by number of employees. Regina Qu'Appelle is second.

Mr. McMorris: — So the \$110 million, according to the supplementary estimates, is strictly targeted for the JJE [joint job evaluation] process?

Hon. Mr. Nilson: — No, no. I think that it includes things like the ongoing bargaining that's happening right now around how much . . . And we don't have final deals yet with quite a number of employees. So it has that. A small piece of it relates to appeals around joint job evaluation — not very much. Some of it relates to some specific requests from some of the regional health authorities around operating cost challenges this year.

Mr. McMorris: — So none of the money then will be going towards dealing with some of the issues that we've certainly been raising in the House, and we hear in the press all the time, with waiting lists. It's going to contracts that are outstanding, negotiation of contracts, and that type of thing. It's really targeted to maintain the status quo other than changes in agreements.

Hon. Mr. Nilson: — No. The money is going specifically to areas where they need increased staff to deal with some of the pressures — in Saskatoon and Regina, primarily, but also other parts of the province. And it does relate to issues around the extra load that's been identified over the last few months in the fall. And so there's money that goes to that, and that's very clearly why there's an increase here as well.

Mr. McMorris: — I realize that the minister won't be able to give me an exact number on what is going to be used up with the collective bargaining process and new contracts. But you did mention, the minister did mention, it will be looked at as some money going towards staffing issues — I guess you could quite easily call them bottlenecks in the system — and some of the problems that have been encountered.

He must have some form, some idea of a breakdown as to . . . you know when you've got \$110 million on the table, how much is going to be allotted roughly for the contract negotiations? How much is going to be allotted for dealing with some of the bottlenecks, whether it's new staffing — or extra staffing I should say — in various health regions or hospital facilities?

Hon. Mr. Nilson: — Well I'll give you some numbers which I think would give you a sense of the amount of money. There's about \$110 million approximately. Two-and-a-half, almost up to 3 million of that goes to Project Hope. About \$8 million goes to pressures in the bases of the regional health authorities. And then about 20 million approximately goes towards joint job evaluation and about 80 million towards the bargaining process.

Mr. McMorris: — The \$8 million that is going towards . . . roughly, and these are round figures. I realize that. But I think you said they were going to the staffing issues more than . . . probably directed towards that issue more than anything else. Is that correct?

Hon. Mr. Nilson: — That's right. For example for Regina it will go towards opening additional beds.

Mr. McMorris: — Since the minister brought that up, I know they announced that there is . . . the health authority announced 43 new beds. What is the staffing complement then that you're looking at putting in there? Because I mean we hear on a daily basis from people that are working in the health care system, there's not enough personnel really at times to cover the beds that we do have. So if we're going to increase the bed capacity in the two hospitals in the Regina Qu'Appelle Health district — the Pasqua and the Regina General — what are you looking at for staffing complement that will follow along with that?

Hon. Mr. Nilson: — Yes it is a staffing issue. Regina is pretty confident that they're able to recruit people to provide the 43 beds, you know, the staff they need for the 43 beds that are being increased. And this particular amount of money will clearly help them as we move forward to March 31. And we'll be taking into account their expanded role as we develop the budget for next year.

Mr. McMorris: — If the minister, could he . . . and this is, I guess, a number that I would be very interested in getting. How many beds then do we have? What's the capacity with the two hospitals here in Regina, with the Pasqua and the Regina General? You're adding 43 beds, so then where does that put us at?

Because what I would like to know . . . When we look back . . . and again this is coming from the professionals that I deal, talk to in the health region. When there was the Plains hospital, the Pasqua Hospital, and the General Hospital, the demands on the emergency rooms didn't seem to be nearly as great. The backlogs didn't seem to be nearly as great. The cancellations of surgeries didn't seem to be nearly as great. The cancellations of the diagnostic procedures, whether it's an endoscope or whatever, didn't seem to be nearly as great.

So is it a direct relationship to the number of beds we have compared now to what we had before? So I guess my question

is two part. First of all, where are we standing at right now with the capacity or how many beds compared to where we were prior to the closure of the Plains hospital?

Hon. Mr. Nilson: — Well I don't have the exact numbers. But I think that one of the challenges clearly that's been identified over this summer since August has been the numbers of very sick people coming into the emergency ward and then using medical beds, totally occupying those and then spreading over into surgical spots and other areas.

And so that is why over the . . . well primarily sort of September and early October, they looked at developing a plan to set up sort of a unit close to the emergency where they could have very sick people that needed observation, but they didn't actually need to be in the emergency area or hallways going up to the wards. And so we're obviously very supportive of that and continue to work with them. Part of the money that we have in the supplementary estimates is there because of the specific request that's come. We also have pressures in other parts of the province, and so we're using money there too.

Mr. McMorris: — I guess I could maybe then ask the minister if he could get for me eventually, I mean it doesn't have to be today, but certainly the numbers of beds that we have in the two hospitals right now currently and, you know, a snapshot of 10 years ago for example when the three hospitals were working in the area.

But even more currently than that, I guess the third number I would like to see is how many beds were available in the two hospitals prior to the closure of two wards, one in the General and one in the Pasqua, which was done not very long ago, a year ago or so, where there was wards or beds closed in both the hospitals.

And now we're opening 43. And when that announcement came, I complimented the authority and the minister that that's certainly the direction we need to go. But I would also like to know then how many we closed just prior, prior meaning within the last couple of years, year or so.

Hon. Mr. Nilson: — I'd be happy to get that information for you. I don't have it with me right now.

Mr. McMorris: — A large portion of the money, roughly about \$20 million you said, was going to the joint job evaluation process that began probably about four years ago.

Could the minister first of all just kind of give me a brief outline? I would like a brief outline of what all took place there, because we've heard again from people that have gone through the process — and the minister mentioned it himself that there is appeals to the process — it certainly hasn't seemed to be a very clean process. There seems to have been a number of problems and all the way down to perhaps even the timing of some of the issues of that process.

So could he give me an outline of the joint job evaluation process?

Hon. Mr. Nilson: — I think I'll have Mr. Mike Shaw respond, and he can give you a full overview of what the process has

been and where we're going.

Mr. Shaw: — Yes. Thank you very much, Minister. I agree that the process has been difficult and complex, primarily because of the size of the undertaking. We have employees in 244 facilities and 12 regions in these three combined bargaining units: SGEU, SEIU [Service Employees' International Union], and CUPE [Canadian Union of Public Employees].

There's about sixteen and a half thousand FTEs [full-time equivalent] or about 25,000 employees. Before the project began, we had those employees allocated to something like 1,200 different job classifications. And at the end of it, it may not seem like a significant improvement, but we had moved that down to 236 job classifications. And it did take about three or four years, and it was carried out under the direction of the government's policy on equal pay for work of equal value.

So it was, it was a massive undertaking, and it took a significant amount of resources just to mobilize kind of the talent required to get that work done. Once the plan, the outlines of the plan had been agreed to by the parties, it was then sent for negotiation for, you know, the funding of it. And there was an agreement with respect to the funding of the plan.

There is a second . . . Once you have an agreement, there's a second part to the process which is the employees receive each of them individually the information around what their job has been rated, what level their job has been rated at, what classification it's been placed in, and information about jobs like theirs elsewhere in the system. And then they have an opportunity to appeal.

I think our experience in equal pay for work of equal value projects in the government over time has been something like a third of the employees in any bargaining unit actually appeal the decision of where their job was going to be classified and what the pay rate would be for that job. And I think something like a third or perhaps more in these combined bargaining units did in fact appeal. So that would be a third of 25,000 employees for example. I don't have the exact numbers, but I'm giving you kind of a rule of thumb.

So you know the process of reviewing the appeals and adjudicating the appeals is also a timely process. And the experience in other projects has been about, there's about a 2 per cent cost or additional funding cost to the appeal process at the end of the day. So what we're going through is the appeal process, the reconsideration process as it's called. And as the decisions are made and the appeals are either successful or not, some go to adjudication. Then the full costs of the process are revealed over time.

So what we've done here is we've made provision . . . We're in the reconsideration process, and we've refined our provision in this year's budget for the cost of the reconsideration process of the job, joint job evaluation project.

Mr. McMorris: — Could the minister then tell me just roughly then how much has this whole process cost the government, and has it come out, directly out of the Health budget?

Mr. Shaw: — The estimated cost of the project was \$83

million, plus or minus some, \$83 million. And we are, as the minister said, in these supplementary estimates asking you to vote an additional \$20 million, plus or minus to that, which would fund the reconsideration process.

I think quite frankly, to be quite specific about it, I think the reconsideration process in this project is going to be a little more expensive than the norm in other projects just because of the . . . simply because of the complexity of it and some of the decisions that had to be taken with respect to bundling up jobs. When they get unbundled at the individual level, there are situations that you hadn't expected appear. And so there's an unknown factor still in this.

Mr. McMorris: — The 83 million then that . . . Explain to me what . . . I mean what did it cost to go through the process? You said that there was 2,500 positions, the three unions, the process just to get to where we are right now, the administrative process. And then the 83 million, is that the, obviously the extra cost now that these people have all been reclassified?

Mr. Shaw: — The 83 million is the incremental payroll requirement to fund the results of the joint job evaluation project. The payroll in the . . . I should answer your question.

I have the number back in my office, and I think it's in the . . . administrative cost of managing the entire process is something in the \$2 million range. But I would like it noted that I'm just taking a guess there, and if you want some precision there I will get you the exact number at a later date.

Mr. McMorris: — So I understand the whole process of equal pay for equal work. So you've got three different unions and you've got 2,500 employees around the province . . .

A Member: — 25,000.

Mr. McMorris: — Thousand, I mean. I forgot a zero there . . . around the province. And they're moving into equal pay for equal work. How many people of the 25,000 saw their wage go down, and how many people of the 25,000 saw their wage go up?

Mr. Shaw: — I don't have the exact numbers. I don't have the exact numbers, and I would feel much more comfortable if I could pull that information together and send you a note on that.

Mr. McMorris: — Well obviously an awful lot more people went up than went down.

Mr. Shaw: — I actually believe that the agreement was that no one would lose income. Their job would be red-circled so that their rate of pay would not increase over time until, you know, the rate of pay in the classification actually caught up to where they were. But those whose jobs were undervalued at the end of the day, they of course received an increase in pay.

And I should say that the cost of the plan is being phased in over a six-year period, so it's . . . This year for example we've allocated 3 per cent in our funding mechanism to fund this year's requirement to fund the plan, but it's being phased in over a six-year period.

Mr. McMorris: — So no one, after this whole process, no one was taken below where they were at originally. Everybody stayed where they were at. And then there was only increases — to the amount of \$83 million.

Mr. Shaw: — That has been a standard feature of equal pay for work of equal value outcomes as I understand it. People get red circled, but they don't actually lose income from where they stand. Over time they lose income relatively because their rate of pay does not increase until the classification's rate of pay catches up to them.

Mr. McMorris: — So the process, other than the appeal process, is complete; there is no more reclassification. Like that has all been done. Everybody's set in their classifications, the 250, roughly, classifications. There's no more of that work to be done. The three unions have all . . . I mean it's been worked out through the three unions. It's just the appeal process that we're going through. There's no more reclassification. Everybody's set in their class.

Mr. Shaw: — Once we get through the reconsideration process and all of the decisions are made, everybody is now in a job classification in a certain pay range. After that then we must maintain that system.

We put a lot of time and effort and, quite frankly, money into making sure we have a system that has integrity to it and the jobs are related to each other in a disciplined and reasonable fashion. And now we must make sure, over time, that there's an administrative process for handling any requests to amend jobs, to amend job classifications, to change rates of pay. You have to manage that system on an ongoing basis.

Mr. McMorris: — This whole process was made retroactive . . . When there was a change of classification, it was made retroactive to when? Their pay would be made retroactive to when?

Mr. Shaw: — I would just have to check. I'm going to say '03-04, and I'm just going to check my notes to make sure I'm accurate here — '03-04, retroactive to '03-04.

Mr. McMorris: — So April 1 of that '03-04 fiscal year?

Mr. Shaw: — Yes.

Mr. McMorris: — And when was that agreement finalized? When was the finalization of that agreement saying that we'll make it retroactive to '03-04?

Mr. Shaw: — About a year ago now — in October . . .

Mr. McMorris: — October.

Mr. Shaw: — Of '04.

Mr. McMorris: — October '04 it was agreed upon.

Mr. Shaw: — Yes.

Mr. McMorris: — When was the initial, like the first . . . because I've got roughly around October '03 when it was

agreed that this process, through the three unions and the government said yes, this is the process we're going and we'll follow through. We'll make it retroactive to '03 — you know, April 1, '03 — for that fiscal year. But the first agreement in place was I believe in '03. October '03 . . . [inaudible interjection] . . . It's October '03. Three. Yes.

So for people that, for example, are being reclassified and it's retroactive to April 1 of '03-04 fiscal year, what was done for those employees that were pretty much assured that they were going to be moving up in salary or thought that they would be moving up in salary? Was there any sort of bonuses or how was that handled? The agreement happened just in October '03, just prior, for my recollection, to an election call. How was that handled for those employees?

Mr. Shaw: — I believe there was an interim retroactive payment to all employees for whom there was an expectation that there would be an increase in pay subject to completion of the agreement and subject to the reconsideration process.

Mr. McMorris: — So you believe that there was.

Mr. Shaw: — I don't have with me all of the details of the implementation agreement. And there was some complex issues and details there, and I would have to better inform myself so I can give you an exact description of how that was implemented.

Mr. McMorris: — So the agreement came into place between the government and through the JJE in October '03, and there was some money given to people who thought that they would be moved up. How did the unions handle this? And maybe you're not privy to that information, but were the unions then able to, if the agreement was in '03, October '03, were the unions then able to take this back to their membership and have it ratified? Or was it just agreed upon by the union leadership, and it would be SAHO [Saskatchewan Association of Health Organizations]? Is that correct?

Mr. Shaw: — It would be SAHO who is the agent of the government for collective bargaining in the health sector. They are the representative employer organization for the health sector for the Government of Saskatchewan.

Mr. McMorris: — So SAHO, yes, is the bargainer on the one side. And of course the three unions would be from the other side. Do you know how they handled that process? Were they able to put it to a vote of their membership, or was it just agreed upon by the union leadership at that time?

Mr. Shaw: — Well I think it's like all other collective bargaining. The bargaining teams, when they come to an agreement, initial the document. But it's understood that the party, the principals of the parties must ratify the agreement. And so my assumption — I don't have the precise information — my assumption is that each bargaining unit, each union went to its membership and sought ratification from the members. I'm just assuming that because that's the normal process.

Mr. McMorris: — Yes I realize that would be the normal process. But in this situation from my understanding, it didn't quite follow the normal process. But that's not for you to answer because it was a union leadership that put that in place.

Back to the retroactive pay then, what has taken place since that time when cheques were sent to people who were assumed to be increasing in pay? No doubt you weren't 100 per cent correct in that everybody that you sent a cheque to was going to be increased in their classification and then hence increased in their salary. There would have been some that probably were red circled. What's happened to the dollars that were sent to those people?

Mr. Shaw: — Well the individuals or the classifications which were red circled would not have received any retroactive pay because they were not entitled to it. The ones who received retroactive pay, it was a payment for those classifications for which there was anticipated or an agreement that there would be an increase in pay.

There was an implementation agreement signed by the parties in the spring of '04. And the union and SAHO agreed that although there was some pay being advanced, if following the reconsideration process, some of the classifications and the individuals in them were in fact rolled back and that the assumed increases were not confirmed, then that pay would be . . . those individuals would be required to repay what had been advanced to them.

And when each employee was given the option, they understood that if they were taking an increase in pay, the process was not completed and that they were at risk for having the classification changed and perhaps losing the pay that they had been advanced. So it was understood then in that circumstance that that overpayment would be owing back to the employer. And we've had a small — relatively considering the size of the group we're talking about — a relatively small number of individuals for whom that situation has occurred.

Mr. McMorris: — So the agreement again was in October '03 just prior to the election. There was then a promise that there would be retroactive pay and, really quite frankly, a cheque cut whether they were eligible or not, to employees. When would've that money been going out to the people that really the department assumed would be going up in classification?

Mr. Shaw: — I wouldn't agree with your statement that — according to the knowledge I have — I wouldn't agree that a cheque was cut, in your terminology, for individuals for whom the agreement did not believe were going to get an increase in pay. I don't believe that to be the case.

Mr. McMorris: — So could you then describe if it wasn't . . . I mean maybe it's the term, cheque cut, that you don't agree with. But people received a lump sum, a lump sum based on the assumption that they were going to be going up in classification. Is that correct?

Mr. Shaw: — For those who there was an assumption that those classifications were going to be increased, I believe the retroactive payment applied to them.

So as I said earlier, I'm on fairly thin ground here with respect to the specific details, and I have been engaged in some degree of speculation to assist the member. And I'm going to have to get you a detailed description that would be provided to me from SAHO, our organization which actually negotiated the

agreement and made the implementation plans.

Mr. McMorris: — I'd appreciate that. And I realize we're maybe, you know, we're talking about some generalizations here. But I think the intent and the whole process is pretty accurate.

Has the department then received any complaints, or has there been any applications filed to the Labour Relations Board as a result of the JJE?

Mr. Shaw: — Well I understand that there have been some individuals who have inquired of the Department of Labour with respect to their requirement to repay the increases which they understood to be at risk. I understand that, after a great deal of discussion inside of government, it's agreed that the employer is not able to collect the overpayment by deducting from the employee's salary, but they are authorized or free to pursue the overpayment in other ways.

Mr. McMorris: — Yes it's my understanding as well that — and I'm certainly no labour lawyer — but according to The Labour Standards Act, being able to deduct from pay is just not on. So you're saying that they're going to deduct it or they're going to get the money back that they had promised just prior to the election in other means. Could you explain what those other means might be?

Mr. Shaw: — I can't at this time, no.

Mr. McMorris: — So if I have a constituent who was given, you know, regardless of the . . . verbal agreement really is what you said was in place, simply a verbal agreement. And I've had many other cases that have come to my office on labour disputes, whether it's an employer, an employee talking about 12 hour shifts or 8 hour shifts. And they had a verbal agreement. It held absolutely no water whatsoever.

But this was a verbal agreement that the employer was saying to the employee that if things don't work out and you are red circled, you will just automatically give the money back. That's quite the labour negotiations if you ask me. Because I've got people that I talked to that perhaps were given, I won't use the word, cut cheque, had a cheque cut for them, but received extra pay and then were red-circled and are asked for the money back.

And through The Labour Standards Act of this government, they can't have it deducted from their pay. And they're saying to me, what am I supposed to do? Am I supposed to just write the government back a cheque? Or do I go to them now and say no, I wouldn't write the government a cheque, but they have other means to get that back from you; I just don't know what it is?

Hon. Mr. Nilson: — I think the . . . Let me respond to this, okay? You and I are here discussing estimates because the public has placed in our hands many dollars to provide services to the public. And in the process of bargaining in a fair way, people were told that they're in a complicated process and that for some of these jobs there's a possibility that they will be classified in a different way, so you'll get a higher pay amount. But it's also possible that it won't work that way and that

therefore, through the union and through working with you as an individual, you would agree to pay it back.

Now some of the processes of how one does that need to be very sympathetic to the employees because many times, as we know, they have expenses in their own lives and those kinds of things. And so I think what's happening as a result of that for those — not a huge number of people, but a number — is that they're trying to sort out how to do this. But on the sense of making appropriate use of public dollars, paying people the amounts that are appropriately paid to them . . . In fact there are some people that do owe some money back. But I think practically and sort of fiscally, steps are being taken to do that in a reasonable way.

And so I think that what's happened is that many, many thousands of people have been able to get their jobs reclassified in a way that recognizes the kind of work that they do, and that's a positive thing. There are some people that are caught in various technical aspects of it, and I think both the union reps and the SAHO reps and people involved within the Sask Health are trying to sort this out to the best of their ability, recognizing they don't want to put people in a bad spot.

Mr. McMorris: — Well thank you for that. I guess I really question the timing and the whole process to where we're at right now. We're expecting people . . . And frankly I don't think you've got a leg to stand on, on a verbal agreement saying, we're going to give you this money. And if things don't work out, please give it back. I don't think you have a leg to stand on, and I'm certainly no labour relations lawyer.

But I also know the timing of this was paramount. This was done on October 6, where people were promised retroactive pay — promised retroactive pay. No agreement in place. And I couldn't agree with you more, Mr. Minister, that there is huge sums of money here that the public has entrusted in your government.

And I just think the appropriation of that money and the agreements that were put in place at that time, had it been done any other time in the four-year election cycle would never have been done the way it was done.

Hon. Mr. Nilson: — Well I think the good thing about our legislature and committees is that everybody has their rights to their opinions. I think a number of these kinds of issues will get sorted out in the appropriate decision-making processes using the appropriate lawyers. I think our job here is to describe what happened.

I think the important thing to remember is that we set on a complex task of making sure that all of these jobs did relate to each other, and it took through one or two or three election cycles to sort out. And maybe it'll still be around by the time we hit the next election. So I think practically we have to respect that.

Mr. McMorris: — I guess one last question, and the minister mentioned that it was a small amount. And I, you know, believe him to be true. Could he get the amount that the government feels they're owed back from the retroactive pay for people that were red circled? And, I mean, I don't expect to have it now,

but I see our 45 minutes is gone. Man, was that fast, unfortunately.

And we've moved to adjourn debates of the supplementary Health estimates for the Department of Health.

Hon. Mr. Nilson: — Before that do you want the answer on your hearing aid, or should I just tell you later?

Mr. McMorris: — Yes sure. Go ahead.

Hon. Mr. Nilson: — Okay. We're basically almost ready to proclaim the legislation. It has involved many different groups, many different people to make sure that it's appropriate for some of the sales and services side as well as the professional side, and I think we are very close to having it proclaimed, and I'll give you all the details when we do that.

Mr. McMorris: — Sorry. I guess I can't move that motion to adjourn. So I have, because of time restraints, that's all the questions I have right now. But I certainly am looking forward to maybe another session before the end of session on these estimates.

The Chair: — Mr. Elhard.

Mr. Elhard: — Madam Chair, I move:

That this committee adjourn its consideration of supplementary estimates for the Department of Health.

The Chair: — Thank you. There has been a motion by Mr. Elhard to adjourn consideration of the supplementary estimates of Health. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. Thank you very much to the minister and his officials.

**General Revenue Fund
Supplementary Estimates — November
Culture, Youth and Recreation
Vote 27**

Subvotes (CR03), (CR09), (CR06), and (CR08)

The Chair: — I would like to welcome the minister and have her introduce herself and her officials. And if there is a statement you would like to make before we begin, please do so then.

Hon. Ms. Beatty: — Thank you, Madam Chair. I would like to begin by introducing the officials who are here with me today. First the Legislative Secretary, Glenn Hagel, is here, but he just snuck out for a few minutes. And Bryon Burnett, chief executive officer, Saskatchewan Centennial 2005 Office is also here.

To the right, Barb MacLean, deputy minister of Culture, Youth and Recreation; and Dawn Martin, executive director of culture and heritage. Behind me, Dylan Jones, executive director of strategic policy, recreation, and youth; Melinda Gorrill, director

of corporate services. And from SCN [Saskatchewan Communications Network], Ken Alexce, president and CEO.

I will limit my remarks to comment briefly on the items under discussion in the Supplementary Estimates.

On September 21, 2004 cabinet approved a budget of \$21 million for the centennial and authorized the Centennial 2005 Office to move forward with its business plan. The business plan identified a broad range of centennial initiatives that would be delivered over the next two fiscal years. The centennial initiative was operational through the two fiscal years, 2004 and '05 and 2005 and '06.

Because of timing of when many of these centennial events were to be implemented, the Centennial Office was not able to spend its entire allocation in 2004 and '05. The supplementary estimates that are before you today provide for a carry-over of the 2004 and '05 underexpenditure. The Centennial 2005 budget remains at the \$21 million level.

The 3 million in support of cultural operations is a response to a one-time capital project needs in the cultural sector; 533,000 was provided to Regina's Globe Theatre for an expansion of their existing space. The federal government and the city of Regina also contributed to the project.

As well the federal government has issued a call for proposals . . . its centennial legacy capital funds for the city of Saskatoon. We have set funds aside in anticipation that the province will need to respond to cultural capital proposals.

The supplementary estimates contain an additional 117,000 for the building future champions program. This money is for additional bilateral funding from the federal government of 58,680 for 2004 and '05 and the same for 2005 and '06.

Building Future Champions is an important sport development initiative for the province. It consists of four components. Canada Games Days bring the games experience to elementary schools. Saskatchewan Sport Match provides high school students with the opportunity to identify new sports that match their skill sets. Aboriginal Excellence raises the performance level of First Nations and Métis athletes, coaches, officials, and volunteers. And Aboriginal games management mentoring matches experienced games personnel with First Nations and Métis sports managers.

The supplementary estimates contain an additional 133,000 for the Community Initiatives Fund. The Community Initiatives Fund receives 25 per cent of the annual profits from the casinos in Regina and Moose Jaw, less a \$2 million annual payment to the Clarence Campeau Development Fund. Payments made in any fiscal year are based on projected forecasted annual profits from the Regina and Moose Jaw casinos. A reconciliation is performed annually and adjustments are made in the subsequent fiscal year for over or underpayments. In this case the additional funding is required to have sufficient appropriation to provide for an underpayment in 2004-05.

Turning now to SCN. Communications and marketing has become a priority for SCN in order to work toward performance targets on key deliverables including on-air promotions, pledge

drive, public open houses, etc. A communications assistant position is needed to support this function and an increase of 50,000 allows SCN to become more fully . . . to more fully establish its communication and marketing area. And that concludes my opening remarks, Madam Chair.

The Chair: — Thank you. Before I open it for questions I just forgot to mention that we're discussing vote 27 and it's on page 12 of the Supplementary Estimates book. Questions? Ms. Draude.

Ms. Draude: — Thank you, Madam Minister, and to your officials, welcome. I understand we don't have a lot of time today so I'm going to just ask some questions. I'm sure we'll have another opportunity.

I notice the cultural supplementary estimates show that we've got a 13 per cent increase in this department — 3.033 million for culture operations, and 395 million for the Centennial Office.

You said at the beginning, Madam Minister, that in 2004 the budget for the centennial was 21 million. And I understood that you said that this is still under budget, or around the 21 million is still the number that has been spent. And yet this is the second year in a row that the government has brought in supplementary estimates for this department. It is increased by 50 per cent from the March budget of this year. Are you telling me that in the budget of this year that you were 50 per cent out, that you hadn't budgeted enough, and that you can put it in at this time of the year and you're still under budget?

Mr. Hagel: — I'll take the question. Glenn Hagel, Legislative Secretary responsible for the centennial.

The budget of the centennial was established actually in September '04, in September '04. And the funding on the centennial then was released on September 23 of the 100-day kickoff to the countdown to the centennial.

And in that, the portion that was approved by cabinet over two years as a two-year budget was \$21 million, of which 19.1 million was the Centennial Office itself; others was some other elements of government that were contributing to it. And it was established as a two-year budget, knowing that a significant amount of the centennial celebration really involved payments to third parties who were doing the actual expenditures.

And what happened was that in the fiscal year '04-05, there was an under . . . there was \$3.14 million less spent that was in the budget. And so that amount is being added then to the '05-06 because it wasn't spent in '04-05 from the two-year approved budget.

So what you have here is a budgetary increase for '05-06, the year we're in now, that is driven by the fact that there was an equivalent under expenditure in '04-05. Largely that was due to the fact that spending agreements with third parties, they just simply, by the end of the fiscal year, were not in a position yet to be making payment to them. And so payments weren't made and the money was not spent in '04, but it is now being spent in '05.

Ms. Draude: — So then to clarify, you still are under the \$21 million?

Mr. Hagel: — Yes. The centennial is still on budget.

Ms. Draude: — Why was nothing . . . Why did you not put enough money in the budget this spring?

Mr. Hagel: — Well when the final expenditures were made by the end of the fiscal year, the budget had been introduced prior to that time. And so the figures, the precise . . . what was known is what the precise two-year figure budget was. That was known.

What we didn't know when the budget was introduced is precisely what it was going to come in at, at that time. And so when the expenditures were tabulated for the '04-05 fiscal year, then they were short 3.1 million from the budgeted amount.

Ms. Draude: — So then you knew it was going to be spent but it wasn't there right then, so you put it in later on.

Mr. Hagel: — That's right. Because we knew that the plan was to spend it, but we weren't in a position to legitimately put the money out. And in my judgment the correct decision was made. It was to simply not make those payments until the agreements were in place, which then ended up happening actually in the '05-06 fiscal year.

Ms. Draude: — So has the expenditures this year to date and . . . I'm going to clarify. Not just the expenditures to date, but the anticipated expenditures, the money that you're expecting you're going to have to spend for the centennial, is that going to be within budget?

Mr. Hagel: — Yes. The answer is yes, within the two-year budget.

Ms. Draude: — It'll still be under the \$21 million that was originally budgeted?

Mr. Hagel: — The answer is yes.

Ms. Draude: — Okay. Can you tell me what was the process that the Centennial Office used for approving funding for centennial events for contracts for goods and services?

Mr. Hagel: — Maybe I'll make a general comment and then ask Bryon Burnett, the CEO [chief executive officer], to you know, to expand on that.

There were different processes for different kinds of items. And I'm not sure what you're meaning by goods and services, but for events largely the process was approval by — there were different committees in place — by the appropriate committee, or in some cases there were contracts with third parties who then contracted with the deliverers.

For example, the Arts Board was our third party deliverer for the centennial legacy art pieces that will be unveiled next month. So our agreement was with the Arts Board. But then the Arts Board subsequently contracted with the artists that were . . . they did the process and the contracting and so on.

On the Aboriginal-related or northern-related activities, there was a special committee that gave approval there. There was also a steering committee that gave approval to the large, to what would be the largest number of activities with which we were dealing.

It sounds like you have something more specific.

Ms. Draude: — Possibly. I'll just ask a couple of more questions that may clarify what I need to have before you give the additional answer. I'm wondering if there were RFPs [request for proposal] issued for every centennial event where there was companies that were contracted to produce the work. And were the contracts that were awarded always tendered? And who assessed the bids that came forward? Were they members of a committee or staff in the office? And maybe you can also tell me who was on that special committee in the North.

Mr. Hagel: — Okay. Do you want to start, Bryon?

Mr. Burnett: — Sure. I think just following along the remarks of Legislative Secretary Hagel, that what our business model was, was really to just provide funding to the third party groups that were providing the events. We basically had probably three categories where goods and services would have been procured. One was through all the sort of community celebration-type events that happened across the province.

And again all of our types of funding went to groups like the Lieutenant Governor's Centennial Gala. That was an independent corporation that looked after running their event and they managed it totally on their own.

Other events like the Canoe Quest was done through New North. The Northern Gathering of Elders was done through the northern . . . I should say the Northern Gathering of Elders was done through New North. The Canoe Quest was done through the northern recreation association.

Our crop checking tour was done through the Saskatchewan Recording Industry Association. You go on. Every event basically had a third party agency. I think we've entered into about 150-some what we call contribution agreements and contracts with these agencies.

The other stream of goods and services that we would have acquired was through our merchandising program. And all of that merchandise and all of those goods and services were purchased through a normal sort of SPMC [Saskatchewan Property Management Corporation] government tendering process.

Another, probably one of the key events that we might have had a direct involvement was with the tendering of the fireworks that on September 4, as you know, we had committees established in 15 centres. And again funding was provided to these independent committees to run most of the event on the 4th, but the actual tender for the fireworks was handled through our office. And again that was done through a national tendering process through SPMC.

Ms. Draude: — How many people gave tenders for that?

Mr. Burnett: — There was three tenders, two from Saskatchewan and one from Quebec.

Ms. Draude: — Okay. And I think it was the Quebec firm that was given it.

Mr. Burnett: — No, it was a local Saskatchewan. It was Ruggieri Fireworks and specialty.

Ms. Draude: — All of the work was Saskatchewan people then?

Mr. Burnett: — Yes. We've really been able to focus on a Saskatchewan-made product. When we look at our merchandising program that, the first year I think we had about 80 per cent sort of Saskatchewan suppliers. This year, in '05-06 it was 98 per cent of all goods purchased went through Saskatchewan suppliers.

Ms. Draude: — So even this fireworks itself was 100 per cent Saskatchewan?

Mr. Burnett: — Because of the magnitude of the event that some of the, I guess you'd call them assistants or shooters had to come in from out of province but I think the majority of folks were from Saskatchewan.

Ms. Draude: — Okay. Is all the staff that's working in the Centennial Office, are they paid for by the Centennial Office and/or the Department of Culture, Youth and Recreation?

Mr. Burnett: — We have, in our marketing communications area we have some contract employees that are contracted through our agency of record.

Ms. Draude: — That is?

Mr. Burnett: — Communications. That's the official agency for Culture, Youth and Recreation.

Ms. Draude: — So they paid the staff members, and they were reimbursed through the department?

Mr. Burnett: — We pay our contract fee to Brown Communications who in turn will pay . . .

Mr. Hagel: — If it was centennial related, it would have been paid through the centennial, from the centennial budget.

Ms. Draude: — And were you, was your department on top of the tendering process through Brown?

Mr. Burnett: — That was done through the normal procurement process of government. That was handled through Executive Council that Brown Communications was the agency of record with Culture, Youth and Recreation.

Mr. Hagel: — That existed prior to the office coming into existence.

Ms. Draude: — So then Brown's . . .

Mr. Hagel: — For the department.

Ms. Draude: — The decision that Brown's was the agency of record, that wasn't made by the centennial office. That was made by Executive Council?

Mr. Hagel: — Yes in the process of having the agency of record for the Department of Culture, Youth and Recreation, sometime prior to the creation of the centennial office.

Ms. Draude: — So then there was those three agencies, departments, that actually paid for all the centennial staff then.

Mr. Hagel: — Three?

Ms. Draude: — Either centennial office department, Department of Youth, Culture and Recreation or Brown's.

Mr. Burnett: — There's two other individual . . . [inaudible interjection] . . . Sorry, there are two other individuals that are on secondment, one from Farm Credit Corporation and one from Revenue Canada. And we have an exchange agreement where their host organizations pay their actual salaries and then we reimburse them.

Ms. Draude: — Their exact amount?

Mr. Burnett: — Their exact amount, yes.

Ms. Draude: — Okay. The culture operation support is actually going to quadruple. Originally it was 711,000 in this budget, and now it's going to be just over the \$3 million. Can you tell me why that's increased that amount?

Hon. Ms. Beatty: — Basically this was a response to a one-time capital need in a cultural sector — 533,000 to Regina Globe Theatre — and also in anticipation of the request coming from the city of Saskatoon that's going to be cost shared with a federal government, and that's targeted to be a centennial legacy capital project.

Ms. Draude: — So tell me, is that city of Saskatoon project the Mendel Art Gallery?

Hon. Ms. Beatty: — At this point in time, I don't think we are sure. Did you want to elaborate, Barb?

Ms. MacLean: — Right now the . . . Maybe I'll just back up. In 2004 the federal government announced that it would provide resources to support legacy projects across the province for centennial with the hope that they would announce and support those projects in the year of the birthday, 2005.

Western Economic Diversification is the lead federal department. They have been working with the city of Saskatoon for the last year and a half, and it was intended that there would be quite a comprehensive project pulled together related to River Landing. They've ran into some complications, so there's been some challenges with different groups. So the federal government has issued a request for proposals, or a call for proposals, and they're waiting to have submissions. So it could be any number of proposals that are actually submitted, both by the city and from individual organizations.

Ms. Draude: — Can you explain why this amount of money

would be set aside for a project for one specific city? Why was it determined that it was set aside for them? Is it some agreement that was made specifically with the federal government and the city, or why Saskatoon?

Ms. MacLean: — Well in the past these have been matched in different ways in different fiscal years. For the city of Saskatoon, we just took a notional allocation and set aside, anticipating that we'd receive a formal proposal from the city. So we actually . . . This is kind of a placeholder until such time we receive a formal request. And then we'll have to go through a formal decision process.

Ms. Draude: — Has any other city or town got a placeholder within this program?

Ms. MacLean: — Not at this time.

Ms. Draude: — Was the decision made to let the city of Saskatoon have one of these?

Ms. MacLean: — We were anticipating that we'd have a project submitted formally in this fiscal year. And in actual fact we've received a number of projects that we have built into our planning process for 2006-07. And that's provincially. We were anticipating that, not knowing when the federal government was going to make their announcement. And their commitment, we'd just set this aside anticipating something might come forward.

Ms. Draude: — Is this type of thing done frequently where when there's a program that, even though there's an anticipation of a project being brought forward, the project hasn't been brought forward or approved, that there is a holding of this place? Does this happen for other cities or communities?

Ms. MacLean: — What we've tried to do is anticipate what will come forward because of the knowledge we have of a number of capital projects in the city of Saskatoon. Western Diversification's money has been fully allocated to every other project, and it's only the city of Saskatoon that has not yet applied for it and received it.

Ms. Draude: — Can the minister tell me if any of the money that's set aside — any money that was used within this operation — has it been used to investigate fraud? And is the minister aware of any instances of fraud in the department?

Hon. Ms. Beatty: — I'm not aware of any cases of fraud.

Ms. Draude: — And the officials?

Ms. MacLean: — No.

Ms. Draude: — Thank you. The money that is set aside for the development of the Aboriginal sports and physical activity is \$117,000. I understand that the federal government has put in 58,600 for each of two years. So all of this extra money is federal money then?

Hon. Ms. Beatty: — Yes.

Ms. Draude: — So then, the province isn't taking credit for

actually putting money into this activity?

Hon. Ms. Beatty: — What happened was that our contribution would be through Sask Sport which is, you know, our partner, our global partner. And so we match this.

And what happened in this case was that they . . . You know, we had an agreement in place, and then they came along and said they had additional money. And that came too late for the regular budgetary cycle that we go through. So this is why this adjustment is here.

Ms. Draude: — So the extra money that is given isn't anything specific that the federal government will be asking to ensure that they are recognized for and that the province won't be taking credit for?

Ms. MacLean: — No. This was an existing agreement that's been in place since 2003-04. And we found out late in the last fiscal year that they were going to just add extra money to it.

We had worked with Sask Sport and Saskatchewan Parks and Recreation on developing the Building Future Champions, recognizing in any of our material that they receive credit for their contributions. They came in, I believe it was February 2005, with incremental money. We missed the budget window to adjust for last year and this year.

Ms. Draude: — Thank you. I understand that there's an additional, I believe, \$4.7 million in money from First Nations gaming agreements. And out of that, the CIF [Community Initiatives Fund] fund gets \$133,000. This additional money, has it been allocated? And is there any . . . Is there a different process for applying for this type of money? And has it been spent?

Ms. MacLean: — The CIF receives 25 per cent of the annual profits from the casinos minus the \$2 million that goes to the Clarence Campeau foundation or fund.

The payments made in any of the . . . fiscal year are based on forecasted revenues. So every year at the end of a fiscal year, there's an audited financial statement completed of the Saskatchewan Gaming Corporation, and a reconciliation is required. So the \$133,000 is recognizing an underpayment that was in our budget last year.

Ms. Draude: — This underpayment was in the year ending March 2005?

Ms. MacLean: — That's correct. So it's an accounting process that we go through every year and a reconciliation.

Ms. Draude: — So when this reconciliation was made and there was a realization that there was extra funding, that would mean the money has probably been spent now. Has it?

Ms. MacLean: — I will just check with one of my officials on the accounting process. I'd like to ask Dylan Jones to respond.

Mr. Jones: — With the Community Initiatives Fund the key issue obviously is that communities have an opportunity to know in advance, you know, to apply for grants and to know

what the funds are in advance. So if there's . . . and there's every year a small adjustment. It doesn't actually affect . . . we plan our programming well in advance, right.

So in essence what will happen is this will be additional money which will go to the fund and will go to the reserve. And then in the coming years, there'll be more money available. So it would go into the design of future-year programs so that everyone has an opportunity to access the money. So at this point, no the money will not have been spent.

Ms. Draude: — So is there ever an attempt to keep a certain balance in that fund, or is the attempt to spend it all each year?

Mr. Jones: — No we try to keep a reserve, right. So right now the reserve is around \$1 million, right, because there is volatility, right.

Ms. Draude: — Does the department make a determination each year how much money is to be left in there?

Mr. Jones: — Not each year. The Community Initiatives Fund has in the past been planned on a three-year distribution strategy. So once every three years there'll be a sort of new plan, and currently this is the final year of a three-year distribution strategy. So the government will be announcing, you know, shortly, a plan for the next strategy. And as part of that plan, there'll be consideration of what is an appropriate reserve.

Ms. Draude: — The CIF investments that are made on the yearly basis, is the outcomes of those investments measured? Is it an audited money?

Mr. Jones: — The Community Initiatives Fund is audited twice. It's audited by Virtus Group first, it's own auditors, and then it's audited by the Provincial Auditor, okay.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Madam Chair. I am sure that my colleague has many more questions to ask on that particular topic, but it looks like we've run out of time. So I would move:

That this committee adjourn its consideration of the supplementary estimates for the Department of Culture, Youth and Recreation.

The Chair: — Mr. Elhard has moved:

That we adjourn consideration of the supplementary estimates of Culture, Youth and Recreation.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Thank you very much. That's carried. And we'll have a five-minute break while we change officials before the next item of business.

[The committee recessed for a period of time.]

**General Revenue Fund
Supplementary Estimates — November
Learning
Vote 5**

Subvotes (LR11), (LR03), (LR12), (LR13), and (LR14)

The Chair: — The next order of business is consideration of supplementary estimates for Learning on page 15 of the Supplementary Estimates book. And I'll invite the minister to introduce himself and his officials and make any opening statement that he has.

Hon. Mr. Thomson: — Thank you very much, Madam Chair. First let me express my regrets that I was not able to join the committee a little earlier. I had us scheduled in at 5:15. I understand that you're running a bit ahead of time. Unfortunately I was at another meeting which ran a bit overtime, so my apologies to committee members for that.

I'm joined today by a number of officials. Perhaps I'll just introduce them as they join us at the table here. But at this point I'm joined by the deputy minister, Bonnie Durnford.

The estimates in front of us deal with a number of different components. But certainly the largest piece that we are looking at is a \$100 million contribution to the academic health sciences facility at the University of Saskatchewan. This grant represents the single largest contribution that the province has made to any university project and is a significant move forward in terms of us being able to put the project into motion and to have it completed.

There are some additional capital grants that are contained in these estimates including additional money for the College of Veterinary Medicine at the University of Saskatchewan and additional funding for the Laboratory Building at the University of Regina. There are some additional funds in terms of capital transfers to the K to 12 system as well as some additional money to deal with the start-up of the Literacy Commission.

There are additionally some small incremental funds into student support programs, provincial training allowance, and into the early learning and child care budget, about \$3 million added there. This is a, I think, a very good package. I would encourage legislators to support it and I would welcome any questions members might have.

The Chair: — Questions then? Mr. Gantefer.

Mr. Gantefer: — Thank you very much, Madam Chair, and welcome, Minister. I would like to take the opportunity to focus primarily on the K to 12 component of the Learning supplementary estimates. And if I could start with talking about there's budgeted I believe \$1.7 million for K to 12 for capital transfers. Would the minister outline specifically what that represents?

Hon. Mr. Thomson: — I've been joined by Nelson Wagner at the table. Perhaps I'll just ask if you want to address this issue specifically.

Mr. Wagner: — Yes, thank you, Minister. Each year we have

an approximately a \$10 million budget for what we call block funding for K to 12 system capital projects. This year it was just under that — 9.8. What happened over the last eight months was a very, I would say, a very large scale increase in costs in the construction industry and this was felt across the Learning sector, not just in K to 12. And so predominantly or many of these things are about that inflationary piece.

We typically in the fall of the previous year, we go out with about 3 to \$4 million in advance of the fiscal year that will allow school divisions to tender things and get things ready to go for the next year. And then subsequently in April we put another good release out, almost all of our budget. I'd say all of about a million less than that. So at that point in time, in about April, we had all but about \$1 million totally committed for that year, which is normal for us.

As we saw prices coming in in April, May, and June though, they were significantly higher, ranging from 30 per cent to 120 per cent higher than we initially expected. And so this was a very difficult situation for us. We stopped approving all additional projects or new projects after that point and we were able to absorb about that million dollars that we had remaining towards that inflation.

Unfortunately inflation continued and got worse and so we, without having this capability and this additional funding, we would have had to defer funding to the next fiscal year for some of these projects, even though they were approved for this year.

Mr. Gantefer: — Thank you very much. It would seem to me that this would be a huge underestimation, if you like, of what the capital projects were going to be, given the nature of the project. Even if you look at the entire year, if we're talking a \$10 million project, \$1.7 million represents what, 17 per cent on the entire budget. And as I understood what you were saying, there was the summer period of time specifically that was hugely out of budget.

To what can you attribute the fact that the budgets were so wrong in that period of time?

Mr. Wagner: — In fact the overage, or the increase if you will, was actually 2.7 million out of that almost 10 million, and so that's reflective now what we're experiencing. In the last two years we had sort of 3 per cent, 5 per cent, 6 per cent, in that range. But nowhere did we ever anticipate 25 to 30 per cent, and some projects as high as 120 per cent. We had a roofing project up north that was 120 per cent — was 300,000, and when it came in it was 600,000.

And so those were a great surprise, not just to us but the industry as well. And so it was a . . . A lot of people have been reeling by that, not just the school divisions, but also the industry, the design community, the construction industry itself, just amazed at the numbers that were coming in.

And I would attribute it to a systemic change in and demand for that type of service and the materials that are provided for that service as well.

This all came together at once, the price of oil — everything just sort of accumulated. On top of that we have, I think, an

indication of a shortage or a potential shortage of labour to meet all these demands out there. So a lot of big projects being announced — not just here, in neighbouring provinces as well — so it was quite a shock to a lot of us to the extent of this.

And another example here was of course the College of Vet Medicine in Saskatoon hit very big as well by that same phenomenon. So it wasn't isolated to the North; it was all across the province.

Mr. Gantefoer: — Perhaps this is a little off topic, but I would assume if there was this huge change in the actual figures compared to budget for subsequent years, are you adjusting your budgetary estimations, if you like? And in doing so are you then decreasing the number of projects so that they fit into your \$10 million, roughly, capital budget each year? Or are you increasing the capital budget by the 20 or 30 per cent so that a similar amount of work can be done in future years?

Mr. Wagner: — I can't speak to the budget process. I know that we are considering those issues for the budget process, and we're aware of them as is the Department of Finance.

Mr. Gantefoer: — Thank you very much. Minister, there is an addition you mentioned at the start-up, \$500,000 for the literacy program. Would you care to outline the basis of that expenditure?

Hon. Mr. Thomson: — The half-million dollars that is identified here is to deal with the establishment of the commission itself, the positions that are attached to the commissioner and her staff. There is additionally 1.1 million built into the budget for literacy programming. We are looking within that to establish, I think — what are we calling it — an innovation fund to support community initiatives.

The concept around the Literacy Commission is to provide essentially an umbrella or a wraparound approach to community-based programming. And so there are two components to it. One is the central operations for coordination and standards build-out and then also the support through the innovations fund for direct-to-community programming.

Mr. Gantefoer: — So this \$500,000 is just for the establishment of the commission and the office, if you like. The other money is in the existing budget. Is that correct?

Hon. Mr. Thomson: — That's correct.

Mr. Gantefoer: — Minister, I note as well the \$3.12 million for implementation of early learning and child care initiative. And I also note that in the budget that was approved in the spring there was approximately \$3.3 million in the Department of Learning for the early childhood development strategy. So this almost doubles, if you like, that broad category.

And perhaps this is an unfair question, but in the spring budget as well there was about almost \$22 million in Community Resources and Employment for early learning and child care. Are the programs related in any way between the two departments? And perhaps you could just outline the general direction of the expenditure and the doubling basically, as I see it, of the budget within Learning.

Hon. Mr. Thomson: — I'll have the deputy minister answer the question.

Ms. Durnford: — The funding that's allocated in the supplementary estimates is for the early learning and child care program. And part of it is funding that is related to the development that's going to be required to develop the new pre-K system, the pre-kindergarten system that we're talking about.

The funding that's sitting at this area, I didn't hear the precise number that the member mentioned, but I believe it's probably related to the existing child care program, if I've heard the number accurately.

Mr. Gantefoer: — Okay. Thank you. The new early childhood program that the government has announced, the \$3.12 million for this year, is this for the conceptual setting up of the program and sort of trying to establish exactly what the program is going to be, what it's going to look like, and things of that nature, rather than funding to school boards specifically?

Ms. Durnford: — There are a number of pockets of funding in that envelope. One of the more significant pieces is for development activities with school divisions to allow them to have some funding to work towards the establishment of the pre-K program. There are other pockets of funding in there to start to expand training spaces in order to educate more early childhood workers and those kinds of things.

So it's really. . . For '05-06, it's really developmental funding to start the program off and to prepare for full implementation over the course of the next few years.

Mr. Gantefoer: — Thank you. That leads me to the next question. What is your timeline in terms of implementing the program at the school level?

Hon. Mr. Thomson: — It is a five-year agreement we have with the federal government. The approach will be, as we build capacity, to start bringing it on as early I hope as the '06 — what are we into now? — the '06-07 budget year. So for this September to start doing that.

One of the issues that the deputy minister has identified is a capacity issue around making sure we've got trained child care workers to deal with this. As well as some of the conceptual build-out that needs to be attached. But I am hopeful that by September we will start to see this program roll out fairly extensively across the province.

Mr. Gantefoer: — Minister, I've had some comments, and maybe it's just because it's so early, from school boards who are a little bit concerned about the uncertainty — not maybe the unknown — of not being sure exactly of what this program is intended to look like; what their role and responsibilities are going to be and that in terms of programming, facilities, transportation, personnel; those sorts of issues. Do you have a timeline in terms of in this developmental process about when you are going to engage with the boards of education in the different communities as in terms of involving them in the process?

Hon. Mr. Thomson: — Part of the complication around the federal agreement is that it is both an early learning and a child care agreement. And so part of what we have been trying to establish is the appropriate balance between those two components. We are getting closer to having that completed.

Now obviously the other piece we've had to work through is some of the concept around how would we undertake a universal program for four-year-olds. What is the likely uptake on it? And some of the modelling has not existed in the province to date so that's taken us some time to work that through.

It's my hope that we will be able to share this, our thinking, with the boards as early as the first week of December in terms of what we believe the program is. And obviously there's going to need to be some discussion with how it fits in with their existing programming. What we're interested in is building a provincial system but obviously building on the strength that's already there, and a lot of these divisions have a fairly significant program in place today.

Mr. Gantfoer: — I think that's correct and, you know, from a conceptual standpoint the sooner you can identify a child at risk and have appropriate intervention, probably the more successful the outcome in the long term is going to be. So I think the principle is right and I also think it's important that, you know, the program have the flexibility to be able to work both with existing programs and build on them because as the minister has identified, a number of boards of education have gone along the route of this earlier intervention in trying to identify individuals at risk earlier rather than later. So that's very positive.

Minister, as well, you mentioned it's a five-year agreement with the federal government. In the intervening time, do you see this funding — that will then flow to school boards to assist with the implementation of this program — likely being more of a conditional grant that would apply to this existing program as opposed to a FOG [foundation operating grant] adjustment, for example? Or am I making that assumption incorrectly?

Hon. Mr. Thomson: — This will not be a FOG adjustment. It won't go into the grant system. We'll need to do it as a separate program, partly because it's a separate stream from the federal government and we'll want to make sure that we've got that accountability built in.

We've been working with DCRE [Department of Community Resources and Employment] in terms of building out this initiative. Because the other piece beyond the school boards we need to be mindful of is a lot of pre-kindergarten happens in community-based settings. And so we're trying to find the right approach to that.

In terms of a general understanding, what we are thinking about is a system that has a relative standard built into it; that boards would then have flexibility to add on to as they see to meet local needs or to meet particular circumstances in their community. We want to be obviously mindful of the autonomy of boards, but we do want a relatively uniform program — not just for children at risk but, frankly, for all four-year-olds within the province.

We're expecting today about 65?

A Member: — 60 to 70 per cent.

Hon. Mr. Thomson: — 60 to 70 per cent which, if you cut the difference I guess, would be 65 per cent. But 60 to 70 per cent of parents to want to enrol their children in these kind of programs. And this has taken us some time to work through the modelling as to what that likely uptake would be. Given those parameters, I think we have in place a program that will work with the boards.

I hope that as we return to talk about our annual report this year, we'll be in a better position to talk a lot more about what some of the pieces and concepts are around it, including play-based curriculum, the approach to making sure we've got appropriate build-out in rural and urban communities, the connection with other programs in the community for vulnerable at-risk kids and how it ties into the community school program.

Mr. Gantfoer: — Thank you very much, Minister.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Madam Chair. Mr. Minister, in your preamble you pre-empted some of the questions I was going to ask. But you've given me ammunition or at least an area that I might like to pursue with you in relation to some other topics. But the academic health sciences centre that you indicated is the single largest funding initiative undertaken by your government on a post-secondary campaign, or campus rather, or project, I'd like to just talk about that a little bit if we may.

Prior to the last election both political parties represented in the House made funding commitments to the academic health sciences project as was envisioned by the University of Saskatchewan at the time. And I don't remember the exact numbers but it amounted to 100 million or \$120 million of funding from one party and/or the other. Do you recall at that point what the total cost of the project was being estimated by the university?

Hon. Mr. Thomson: — I'm told that the initial phase was believed to cost about \$120 million. There has been a great deal of work done since the conceptual initiative I think all parties are signed on to. Certainly a great deal of work has needed to be done to make sure we've got alignment with the College of Medicine's academic review that's been undergone and to make sure we've got in place an understanding of how this is going to fit in with the university's overall physical plant structure.

Over about six months ago now I appointed Dr. Melenchuk as an envoy to the university. I know he's familiar to all of us here, but he had a specific task which was to go and work with the College of Medicine both on their accreditation issues and to make sure that we had in place a better understanding of what the actual program costs were going to be of the facility.

The work that has been done is now, we believe, estimated at the first phase being somewhere in the 140 to \$165 million range. There is still some uncertainty around the total program cost, if only because there's some uncertainty as to how quickly

they can move forward with it. This has been an ongoing discussion we've been having with the university about how to get the project in the ground, how to actually get started on it, and how to get the cost built out as quickly as possible.

If I might add one other interesting — what I hope is an interesting — comparison. We are now thinking about the academic health sciences complex costing approximately \$165 million on the upper range. That is roughly comparable to what the cost of the synchrotron was.

This is a huge project that has a tremendous financial cost to it but also a tremendous opportunity attached to it. And a part of what we have been working through with the university is to understand how some of what was initially conceptualized three, four years ago around academic health sciences now ties into some of the other opportunity. So, for example, beamline research into synchrotron, additional work that we may want to see around research that ties into VIDO [Vaccine and Infectious Disease Organization] and InterVac [International Vaccine Centre]. These pieces are continuing to evolve. So that's part of the reason we've got some difficulty saying that it's 140 today or it's 165.

Mr. Elhard: — Mr. Minister, I appreciate the complexity of the issue going forward because if you're committing that kind of money to a project of this nature, you want to be as certain as you can be to include as much additional benefit to that type of project as you can. And as you indicated, the synchrotron makes research capacity pretty important in the city of Saskatoon and on the campus. And in terms of the health area itself, it might be one of the very best tools we'll ever have to advance medical science.

Of course you know, VIDO and the other complementary scientific initiatives that are playing a part in the whole U of S [University of Saskatchewan] scientific expansion is something you don't want to disregard when you're considering this. But I guess, complicating this whole issue is the reality — the economic reality — that, as the gentleman earlier talked about, when it came to capital projects in terms of just schools, if there's been, you know, a 30 per cent rise in the cost of building ordinary structures, we can imagine that that same scenario is applicable to this particular structure. So there's not a lot of time, I don't suppose, to waste before we can see the cost of the project potentially double.

Hon. Mr. Thomson: — This is an interesting question and one that we've spent a fair amount of time on in terms of trying to determine what this project is. I think it is fair to say that it is uncertain that the kind of cost inflation we're seeing in the system or saw in the system this year will be sustained. That would be the normal growth pattern of it.

There were a number of things that contributed to that and I think Mr. Wagner identified that. Obviously, part of it is the cost of steel — we're aware of that — the cost of petroleum and a shortage in terms of skilled workers.

Now it's hard to say where those are going to work themselves through in the next couple of years. Is there a risk about the inflation? Absolutely. And this is one of the things we've been very mindful and part of the reason that we have decided to

make this \$100 million a direct capital grant to the university this year.

As you know, when the government holds on to the money and notionally allocates it, it doesn't accrue or accumulate interest. That isn't paid over. This process, which although is a departure from our normal approach, will allow the universities to actually build on this; both for fundraising against it, which the University of Saskatchewan is extremely good at, but it also then provides them with some ability to actually manage the investment and the agenda as they move forward with the growth.

I don't know, there's certainly been a lot of talk about this potentially being now 214 million. I'm not sure how that number's ever been arrived at. Dr. Baker — Charles Baker — who had written me a couple of days ago, who's been coordinating this from the academic health sciences side, says that he's not sure where this 214 million comes from, that we are still contemplating this to be 140 to \$160 million project.

Mr. Elhard: — When you've arrived at that figure, Mr. Minister, have you included though the impact of the 30 per cent cost rise that's affected building supplies and construction generally to this time?

Hon. Mr. Thomson: — The difficulty we have is projecting out what the cost of the building is. Until we actually get into a tender process it would be very hard to estimate what it is. And this is one of the surprises we ran into this year. So it's hard to say exactly what the cost is going to be. What we're trying to do is make a sizable contribution to the facility now to allow the university to move forward with the financial planning around it. There's no doubt that there will need to be an additional contribution to the facility as we move forward. This will not be the last contribution on behalf of the province. I just don't know what that's going to be, or how quickly we can start to move forward.

In the coming weeks we'll be in a better position I think to explain some of the work that the university's undertaken around how now they view this to be configured in terms of the various components that fit into it.

Is there a financial risk involved in this? Certainly there is. In terms of the increasing cost there's no doubt. And we have been mindful of balancing that out against the other priorities that the members opposite regularly raise in the House that we could be spending money on in terms of health care. That being said, we remain committed to the academic health sciences building and the complex. Because we do believe that it will fundamentally change the way that we can handle health care for Saskatchewan residents, and will change the way that we work with other provinces in terms of health care research. That's why we remain committed to this despite there being some risk on the upside around the cost of the facility.

Mr. Elhard: — I don't think that anybody would begrudge an increased investment in this facility knowing that the escalating costs are really — and I hope this doesn't come back to haunt me — but really more a case of bad timing and bad luck than poor planning. And, you know, knowing what we know about the demands of the Chinese economy and the Indian economy

on finite resources like steel and cement and those kinds of things, not to mention the cost or the implications of extremely unexpectedly high oil prices on just about everything. Nobody understands I don't think, unless they're very close to the construction industry, how the price of a barrel of oil affects the cost of asphalt shingles, for instance, or plastics that are used in all sorts of construction projects.

So I guess what I'm suggesting or saying to you, Mr. Minister, is that there's a conundrum for the government right now in wanting to, I think for the sake of limited resources, move ahead with this project as quickly as possible to save whatever money they can in the face of these escalating cost factors, but on the other hand not shortchanging the project by rushing ahead not having considered all of the good benefits and good elements that should be included in the final project.

So you know, I'm somewhat sympathetic to your dilemma as opposed to being critical of the situation. And I guess from my own perspective, from the perspective of the official opposition, we'd rather see that project done right than done too quickly or with not enough forethought for the needs of the province in the long run.

We have an opportunity in that complex at the university with the synchrotron and other good research that's going on there to make Saskatoon into what some would consider a world-class centre. And I don't think that we would be overselling it by saying that.

You mentioned in your opening remarks that of the \$114 million in capital transfers, the balance of the money will be going to the College of Veterinary Medicine and some will go to the U of R's [University of Regina] Laboratory Building. Would you care to elaborate on exactly what is envisioned there for those particular expenditures?

Hon. Mr. Thomson: — Well specifically I can outline that the breakdown is \$10 million to the Western College of Veterinary Medicine and 4.6 to the Laboratory Building at the University of Regina.

I do want to return just briefly to the academic health sciences complex and assure members that we are in a better position today than we were even six months ago to be able to move forward with this project because of the work that Dr. Melenchuk has been able to do with the university, people on the College of Medicine, and in terms of the university's physical plant planning group. We are in a much better position to understand what the potential cost is, the scope is, and the interrelationship with other faculties there.

We are also in a much better position because of the work that has been done around the accreditation issue to be sure that the program that is going to be located in this building is not only excellent in terms of research but in terms of teaching.

The final point that I would make is that I think it is a mistake to think of this as a facility for Saskatoon's benefit only. This investment will significantly enhance the ability for us to deal with the health outcomes of Saskatchewan people. There are strong research ties into Regina and indeed into other hospital settings throughout the province. This will provide us with I

think a really unique opportunity to move forward and to connect up that system to make sure that we don't have a centre of excellence in Saskatoon that's somehow not connected to what's happening in Shellbrook or Saltcoats or Regina. This will allow us to focus a lot of that.

But I am very optimistic about what this will be able to do in terms of advancing our research agenda, our clinical health care program, and in terms of just making sure that Saskatchewan is at the forefront in terms of being able to have a world-class academic health sciences facility.

Mr. Elhard: — I didn't I hope leave the impression that I thought the benefit for the province was restricted to the community or the city of Saskatoon, but it certainly could become the hub of research that will have ultimate benefit throughout the province.

The Lab Building here at the U of R, the \$10 million commitment, are you envisioning payments on sort of an instalment basis toward the completion of that? Why is this \$10 million necessitated at this point?

Hon. Mr. Thomson: — The 4.6 million is a direct grant to the university for the Laboratory Building.

And one of the complicating factors in Regina right now is we have two projects going on on the campus that are both laboratories. This is for the one attached to the university for teaching purposes, not the provincial lab building which we're also pursuing this year but is funded through the Department of Health.

Mr. Elhard: — The 4.6 million for the Lab Building is the one that you turned sod for last spring?

Hon. Mr. Thomson: — Yes.

Mr. Elhard: — All right. And I'm sorry. I got those figures reversed earlier. Ten million dollars for the vet medicine college at the U of S, where is that money specifically allocated?

Hon. Mr. Thomson: — Again it's for the inflationary costs of the project. I should also advise the committee, and the Assembly through this committee, that at the time that we were making this investment, I think that there was some concern that perhaps the western nature of the Western College was under a threat because of action being taken in Alberta to establish a separate college of veterinary medicine at the University of Calgary or University of Alberta.

It appears now today that that is in fact not moving forward, certainly not on the timeline that the Alberta government had laid out. So I'm very confident that the money that we are investing in the Western College will serve the needs of Western Canadians.

Mr. Elhard: — Mr. Minister, the College of Veterinary Medicine has served Western Canada and I guess in some respects all of Canada very effectively over the years, but they have suffered a chronic funding shortage. And I'm wondering if it is the intention of your government and your ministry to try and address that in a specific way as we move forward —

especially if the Calgary project is not going to be as timely as had been envisioned.

Hon. Mr. Thomson: — I am reminded that this is a cost-shared project with the federal government. We have allocated 7.5 million last year; 7.5 million's allocated for next year; and this additional 10 million brings our contribution to 25 million in terms of the project.

The question the member asks more generally though is a very interesting one and one that we have been spending a great deal of time on in terms of how it is that we deal with the education needs of Canadians and what the federal government role should be in that education role, what their responsibility is to dealing with this.

I was encouraged at least by the words that came from the Finance minister and the Prime Minister the other day about starting to cover the indirect costs of research. Whether this government lasts long enough to actually deliver its promise is yet to be seen. But it was the first time we've actually had a recognition that the funding that they are providing to the universities for research is not in fact covering the entire cost of operating that which in turn has been either off-loaded onto the province to cover or directly onto the universities.

We have been attempting to engage the federal government both through the Education ministers' forum as well as through the Labour Market Ministers' forum to try and find a new way of supporting the education system, post-secondary education system, university system in this country. It recognizes the fact we have a highly mobile labour market and that the models that we have used that have been provincially siloed, in many cases institutionally siloed, perhaps are not going to really meet the needs of Canadians as we look to a more productive and more competitive environment. And this is part of the, part of the dialogue we're into.

Tonight is probably not the opportunity to talk about that. But this is a very interesting area that I'm sure in the future we will have an opportunity to discuss as to what the right balance is in that, what Saskatchewan's role is in terms of providing services to Saskatchewan, and indeed to helping make sure Canada remains productive and strong.

Mr. Elhard: — Mr. Minister, I don't want to leave the topic of post-secondary education as it relates to universities generally too quickly. But there are a couple of other items in this particular spending initiative that I want to touch on.

I think my colleague referred to the \$500,000 allocated toward the literacy program. And you indicated that was basically an amount necessary to set up the office of the literacy commissioner and the initial workings of that particular program.

But in the announcement that the minister delivered in the House today, the ministerial statement, he alluded to the fact that there was going to be \$109 million coming from the federal government over the next five years — \$22 million a year roughly — of which some of that money would be earmarked for literacy and essential skills. So are you counting, Mr. Minister, on this federal money to carry the literacy initiative

forward, or have you made some other provisions for future provincial budgetary expenditures in that area?

Hon. Mr. Thomson: — I think the answer is yes to that question which is that there are, as I look at it, three components to this. One is the funding, as we've outlined it today, to establish the commission and reprioritize existing program spending in that area.

The second is the funding that will come through the Labour Market Development Agreement that I signed last night with Minister Stronach that will allow some of that money then to flow into areas of literacy, although at this point we are looking at that largely being around additional program support and targeted towards workforce literacy as opposed to what we may be thinking about in terms of early learning or support within the K to 12 [kindergarten to grade 12] system.

And then the third piece is the additional money that we are looking to prioritize within provincial spending into literacy. So there are the three kind of stages to this.

I would note that the federal government's been quite interested in what it is we're doing with the Literacy Commission. This is the first of its kind in Canada and is a different approach to moving forward with literacy programming in that it is both a community-delivered set of projects but is more provincially coordinated. And they've been working with us in terms of how we can work with their national literacy units, how to build it out.

The difficulty when you start something new is it's hard to find a template to say, well if you just look at province X, Y, or Z, this is what it's going to look like.

For us we've been trying to really do something different that works for Saskatchewan. And those are the three areas that we see the funding increasing.

Mr. Elhard: — Mr. Minister, you specifically referred to workforce literacy, and I would assume that you have some idea as how to deliver results in that particular area. What type of program delivery do you anticipate or do you envision for that particular area of your initiative?

Hon. Mr. Thomson: — If it's okay, I'll have the deputy minister respond.

Ms. Durnford: — We're looking at numbers of . . . and in the conversations also with the federal government, we're looking at numbers of innovations if we can.

Clearly I think we want to do more in the area of adult basic education because we know we've got some issues on that front, and we need to respond to demand on that front. But I think we're also looking at some ways that we might start to do adult basic education, if you like, a little differently where we can try to combine skills and skill development in the workplace as opposed as to simply through, sort of, more classroom-based education. I think we'll also be looking at some different ways that we might do it through distance learning and more e-learning type of models.

So we have . . . some part of what the federal government funding will allow us to do is to try some innovation on these fronts and to see how we can engage both employers and workers in a different kind of way to build the kind of skills that they're going to need.

Mr. Elhard: — In light of the response, has the minister or his government considered the possibility of providing direct tax credits to employers who would initiate workplace literacy programs and engage their employees in that type of basic educational upgrading?

I know that that type of approach has been used rather successfully in some other jurisdictions; I'm not sure what the Canadian experience has been. But is there an opportunity to engage employers through that type of system or mechanism?

Hon. Mr. Thomson: — I wouldn't rule that out at this point although we haven't identified that as being possible under the Labour Market Development Agreement. That wouldn't be an allowable funding.

There are a number of different models though that we are looking at. I had a very good discussion last night with officials from the Parkland Regional College about some different ideas they have in terms of how we can draw in directly, employers into this, what it is we need to do to make sure that people who are pursuing adult upgrading are quickly getting attached back into the labour force, not simply getting trapped in the training cycle. And that would be one thing to look at.

There are certainly a number of different models that are being used, well frankly, across the world to try and bring up literacy rates. We're fortunate in Saskatchewan that our literacy rates are strong. The recent provincial statistics, interprovincial statistics would show that we are, I think, second in the country in terms of literacy rates, third in terms of science and numeracy at the basic levels, and that is somewhat positive.

But there is no doubt there is a lot more work to be done. And adult basic education is one of the areas that we really do need to think a lot about as to how do we deliver that, the objective being not simply to get the credential — which be it a level 10 credential, the GED [general equivalency diploma], or the 12 — but actually to get the attachment to the labour force.

I believe strongly we've got to start thinking about literacy and education attainment for adults as being, how do we help them get the security they need to move forward with their lives, to support their families, to keep the jobs that the economy's generating.

This is part of what we've been working on through the training sector review which we've made public last week, which I anticipate we'll have further discussion about. But there is an opportunity for us to use the federal funding and the commission, the provincial funding through the commission, to really support a number of different initiatives.

I don't want to be too lengthy in my response, but I would say that one of the things that we need to do is better inventory of what kind of projects are out there and how do we co-ordinate the programming and then how do we build out a provincial

program to actually work with the school systems, work with the regional colleges, work with local employers to make sure we've got the right delivery mechanism. If we can do that, I think then we're in a good position to really move forward with improved adult literacy rates as well as within the children starting into the school system.

Mr. Elhard: — There's no doubt that improved literacy outcomes for all segments of society are desirable. And I guess finding the most effective ways to deliver those outcomes always remains a bit of a challenge. And maybe the emphasis needs to start in terms of, you know, the early childhood education we were talking about earlier. If we have more success at that level, it's possible that that will have, you know, the kind of long-term impact we're hoping for in there. But that doesn't meet our immediate challenges and responsibilities in improving literacy in other segments of our society.

I might want to digress for just a couple of moments because we're nearing the end of our allotted time here. But, Mr. Minister, can you tell me what role your department plays in terms of funding innovation and science? Now there is an innovation and . . . Science and Innovation Fund, I guess is the proper name for that. Is that particular fund managed by another department with input from your department, or are you responsible for that?

Hon. Mr. Thomson: — The fund used to be housed in the Department of Industry and Resources, and as of I think it was the last budget year, it has been moved over into the Department of Learning. There are a number of different ways that the . . . as you would categorize the innovation agenda, a number of different ways it is funded.

The Department of Health has a discrete research funding that it provides, the Department of Learning has a funding it provides through the Innovation and Science Fund. We also have money that we provide to universities to recognize some of the research and academic cost there. And then the Department of Agriculture also has a sizeable research agenda that they pursue. Is there still money in Industry and Resources? There is still support then through Industry and Resources around the synchrotron.

So there are a number of different departments that are involved in developing the agenda. As well obviously the SRC, the Saskatchewan Research Council is an integral component of that. So the approach has been to have a number of different funding agencies work within their own policy sectors to try and advance the agenda.

The Innovation and Science Fund essentially is the province's contribution to the Canada Foundation for Innovation funding, the CFI funding, and so these are federally juried projects that are then funded, and we come in with some matching dollars. That's largely what the Innovation and Science Fund is.

Mr. Elhard: — The Innovation and Science Fund is primarily responsible for some of the provincial funding though that goes to what? The synchrotron and any other projects? I mean are they . . . Can you identify them for us?

Hon. Mr. Thomson: — Sure. CFI matched grants is essentially

what we are dealing with here. These are the federally juried programs. And so we funded any number of different things from research Chairs through this to . . . we bought VIDO [Vaccine and Infectious Disease Organization], InterVac [International Vaccine Centre].

There's a number of other pieces of equipment that we'll often purchase in terms of support. I can think of one at the University of Regina that we recently unveiled to help physicists measure the impact of quarks. This is far beyond me to actually understand what these machines do, but I'm told they're integral to the research that's undertaken there.

The parameters around the Innovation and Science Fund are that the projects need to be supported through the CFI [Canada Foundation for Innovation] program, and then additional funding for other research may come through Health, Agriculture, Industry and Resources, SRC, or through general university funding.

Mr. Elhard: — Would the Innovation and Science Fund be the exclusive fund though that would be responsible for co-funding with federal projects, federally funded projects, or are there others?

Hon. Mr. Thomson: — Just on the CFI funding. There are other granting agencies, NSERC [National Sciences and Engineering Research Council of Canada], SSHRC [Social Sciences and Humanities Research Council of Canada] — and I just forget what the health one is called — but the tri-council granting agencies, they may partner up with other provincial funding to enable their programs. Some funding is provided entirely by the province to support research.

Mr. Elhard: — Are you familiar with Genome Prairie, Mr. Minister? I understand that they have an opportunity to leverage a fair amount of federal funding if they can get the province to commit to a certain level of financial participation as well. Are you looking at that organization and any of their projects at this time? And if so, would they be eligible or legitimate requests through the science and innovation fund?

Hon. Mr. Thomson: — We are familiar with the project and the request. We haven't made any decision about this yet. And what part of it we are trying to sort through with the government's research agenda is a prioritization of research projects.

As you can imagine . . . At least I'm often surprised at it. And I'm not sure that we fully understand just how much innovative research is going on at our universities and the number of opportunities we have to participate with them in terms of funding.

What we have not undertaken — not to be critical of government or the department or certainly not of the cabinet — but what we have not really done a good job of over the last number of years is thinking about how we prioritize some of these projects, and how do we co-ordinate that to say we're going to become a centre of excellence in the world on research project X, Y, or Z.

And this is part of the thinking that's been changing at the

universities as well. As you know, President MacKinnon in Saskatoon has been pursuing an agenda that he calls an agenda of pre-eminence in terms of research which will focus on a more narrow number of subjects.

The University of Regina's taken a different approach in terms of how it looks at interdisciplinary support for research projects. We've been trying to be more responsive to the universities as opposed to simply driving forward one particular agenda tied into particular provincial objectives.

Mr. Elhard: — Madam Chair, I want to move adjournment here. If I can just make one other comment, and that is that through press releases I've seen some of the work that this particular organization, this Genome Prairie, has undertaken in Saskatchewan. It looks to me like the potential for agriculture as one area certainly, but several other areas is pretty dynamic here. And I guess the problem is when the government, the federal government holds this carrot of financial assistance in front of you and you have a certain distance to go to retrieve the carrot it's tough not to chase that carrot.

But I guess I'm wondering on what basis priorities are decided and whether or not this, the types of projects this organization are pursuing, given the fact that they can access federal money, might not be worthy of consideration in the short time frame that is necessary for that decision to be made.

Hon. Mr. Thomson: — Well we're certainly interested in taking a look at it but I should add that almost every research project that comes forward can access some kind of federal money. And what we need to be careful of — partly because when you are starting to deal with innovation it's very hard to predict what the outcomes are going to be — we need to be careful not to starve out other researchers simply to support so-called mega projects or large investments. There are opportunity costs that are involved in this so what we've been trying to do is work through a balanced approach.

I'm certainly interested in seeing a somewhat more coordinated approach to pursuing the research agenda. But again if we were initially working through what we thought were the priorities even 18 months ago, we would have had VIDO and InterVac and the academic health sciences research attached to that beamline support to the synchrotron. This type of an issue would not have been there so we need to be careful that we don't commit all the funds into projects that we see today without knowing what's available tomorrow. And that's really what the challenge is.

So what I guess I am trying to say is we're trying to be flexible, trying to be responsive and we're prepared to look at funding these kind of projects as they come forward.

Mr. Elhard: — Thank you, Mr. Minister. I would now, Madam Chair, move that this committee adjourn its consideration of the supplementary estimates for the Department of Learning.

The Chair: — Thank you. Mr. Elhard has moved that we adjourn discussion of the supplementary estimates of Learning. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. We'll change our officials and move into the next item of business which are the estimates for the Department of Corrections and Public Safety found on page 11 of the Supplementary Estimates book.

**General Revenue Fund
Supplementary Estimates — November
Corrections and Public Safety
Vote 73**

Subvotes (CP04) and (CP06)

The Chair: — Welcome to the minister and his officials. Corrections and Public Safety, as I said it's on page 11 of the Supplementary Estimates book. I'd invite the minister to introduce himself and his officials. And any opening statement that he has he can make at this time.

Hon. Mr. Prebble: — Madam Chair, thank you very much. I'm very pleased to be joined today by several officials from my department. To my left is the deputy minister of Corrections and Public Safety, Terry Lang. To my right is the executive director of management services for CPS [Corrections and Public Safety], Mae Boa. And then behind me are Maureen Lloyd, who's the assistant deputy minister for adult corrections; Mr. Bob Kary, who's the executive director of the young offenders program; Tom Young, who's the executive director of protection and emergency services; Brian Krasium, who's the acting executive director of licensing and inspections; and last but certainly not least, Karen Lautsch, who's the executive assistant to Mr. Lang, our deputy minister.

I will just make some brief opening comments by way of focusing on the supplementary estimates, Madam Chair, and members of the committee.

Let me just say first that the largest portion of the supplementary estimates, more than 14 and a half million dollars, is committed to dealing with the additional expenses that have been incurred as a result of the unexpectedly high number of natural disasters that we had this summer.

And by that I mean particularly very intensive rain events in many, many parts of Saskatchewan, where we had first of all intensive . . . a major rain event in Saskatoon where we've had 735 claims to the provincial disaster assistance program from individual homeowners and private claims. That accounts for just under half of the total number of claims that we've received. And those claims will be anywhere from \$500 to as high as \$12,000.

Then we've had significant claims coming in from both the western part of the province between Maidstone and Lloydminster, where I expect that we will pay out at least in the range of \$3 million in terms of claims there. Again some of this will be to municipalities. The bulk of it will be more than 120 private claims.

Also we'll have significant claims in the northeast part of Saskatchewan in the Hudson Bay, Arborfield, Porcupine Plain area. Here there'll be a number of municipalities that have significant claims for damage to municipal infrastructure, and there'll also be a significant number of private claims. I expect

again we'll pay out more than \$3 million in that area.

In all we've got 29 municipalities who have made claims to date for assistance with municipal infrastructure. We've got, as of last week, 1,299 private claims. I expect that will increase to well in excess of 1,500, perhaps as high as 1,700 by the time everything is in.

We have allocated then an additional \$14.7 million to respond to damage that's been done.

So the bulk of this will go to individual claimants, private claimants. I expect that a little over \$5 million will go to municipalities for assistance with damage to municipal infrastructure — roads, bridges, and the like.

Because this is a significant sum of money, I just wanted to give committee members some sense of where this money will be directed. And I should also say here that this is a very significant additional investment by government. And this is about 28 times as much money as we had budgeted for on the provincial disaster assistance program, which gives you a sense of what an unusual year this is in terms of natural disasters that impacted on homeowners and businesses and municipalities across the province. And I might say too that municipal government displayed very good leadership role in responding to these natural disasters.

The other slightly more than two and a half million dollars is allocated primarily to additional staffing in our correctional facilities right across the province. We have seen extra costs at Pine Grove, at the Saskatoon Correctional Centre, the Regina Correctional Centre, and our men's adult correctional facility in Prince Albert.

And I would say of this two and a half million, at least 75 per cent is additional staff costs. Frankly much of this is related to higher counts in the correctional facilities than was anticipated. Also a little bit of this has been related to additional security and search measures that had to be taken.

And then as small items in here, there's a slight increase in food costs in terms of the per diems that are being charged by the Saskatchewan Hospital that provides our, both secure and open-custody units in North Battleford. And there is a little bit of additional money — to be precise, \$125,000 — that's gone into the fine options program where usage has been higher than anticipated.

So I think I'll stop there, Madam Chair, and just say that the two big areas then in summary are . . . The vast bulk of the additional money is for the provincial disaster assistance program, and slightly more than another two and a half million is directed at our correctional facilities, with three-quarters of that going to staffing.

And I'd be very pleased to answer questions that members of the committee have.

The Chair: — Thank you. Questions? Mr. Toth.

Mr. Toth: — Thank you, Madam Chair. Mr. Minister, I guess first of all we should begin by thanking our House leaders for

giving us the dubious responsibility of sitting here, when I think most people are thinking about what's on the table about now.

However given the fact that the former minister and my colleagues almost lull people to sleep, I don't know what . . . I wonder if we can stir them up a little bit, make it a little more exciting. The committee work can be somewhat . . . Well I think they should be really glued to us right now I would think.

Corrections and Public Safety — \$17.185 million in additional funds. Given the fact that your government's crime stats aren't very good, I can see that maybe we do need more money in this area. We're not really going to get into a slugfest, Mr. Minister, it's just . . . but I do want to raise some questions.

You know what's very interesting, Mr. Minister, is before we began our session this evening, you may have seen it, today's paper, major crimes worry the mayor of this city. And Mayor Fiacco says:

A "total review of its existing correctional policies," . . . [must be undertaken.]

. . . he is particularly concerned about crimes that may have been perpetrated by people with long criminal records or by people who are out on a parole.

He says:

. . . the existing system for dealing with repeat offenders who come out of jail and commit additional crimes needs to be revamped.

And then it's very interesting at the end of that section, on the last page, an individual writes in and says, "My vehicle is gone!" He had his vehicle lifted in this city and he . . . just a couple of comments from this letter to the editor:

The victim gets to pay for higher costs in order to police communities, the victim gets to pay a higher insurance deductible, the victim is treated like a dirty rag while the criminal is made out to be an angel who lost a wing in all of this.

And of course their conclusions are probably a lot more severe than most individuals get when they appear in our courts these days. He says:

It's time to toss drug dealers in jail, it's time to toss car thieves, no matter their age, there too! Let them live with what happens inside. Fear is a mighty precursor to walking a straight line. They need to live in fear of going to jail!

Sorry to say. . . they made their bed . . . let them lie in it!

And I notice in our estimates here, supplementary estimates, you've added more money for more spaces in our correctional facilities. I guess Mr. Minister, the question is, exactly why are we putting more monies into more spaces? Is it because of these types of comments that we're seeing where the mayors of a major city are becoming quite concerned and alarmed at the type of crimes that are being committed? And I know police officers on an ongoing basis are continually frustrated by trying

to deal with crime, and before they even get the paperwork done, the person they may have apprehended is back on the street committing the same crime as the letter to the editor indicates.

So I guess, let me begin by asking the question: what specifically do you hope to accomplish through the additional beds? First of all why are we seeing such a large number? And then what do you hope to accomplish, and how do you hope to address the concerns that are being raised by our civic leaders regarding crime in this province?

Hon. Mr. Prebble: — Let me address then each of those questions. Let me just start by saying that we do have an increase in our daily count, and this explains why additional staff resources have had to be allocated. Our average count, for instance for last year in our adult correctional facilities, was 1,204. And our average daily count in October of this year was 1,262. And here I'm referring to the adult correctional facilities.

In contrast our youth counts, in terms of open and secure custody, are down so . . . but where the additional expenditure has been is on the adult side. And quite simply the count is probably the simplest way of explaining why our staffing costs are up.

Secondly let me say that, I mean, we do have a problem with crime in our province. And by the way it's not just our government's crime problem. This is a problem that we all share. It's not like the provincial government has caused this problem. You know municipalities, the province, and the Government of Canada and communities are all struggling with this issue. We want to take our fair share of responsibility on this file, and we're doing our best to do crime reduction strategies with strategic investments right across this province.

We're doing our best to support municipal police forces in terms of strengthening their ability to respond to serious crime on the street, and we've made important new investments in this area — some of which have been announced by our Attorney General just this week with additional police resources in these key areas. So it's not like we're neglecting this issue.

On the Corrections side, the decisions about who is sentenced are obviously made by the courts as they should be. And it's our responsibility then to house and provide security of the public from these inmates and also to support their rehabilitation as best as is possible.

Now I want to address the question of auto theft which you raised because in this city, the city of Regina, auto theft has come down significantly as a result of strategic investments that we've made working with the city of Regina and the Regina police department.

Over the last four years we've had an auto theft reduction program in Regina. It has involved, first of all, ensuring that those who engage in car theft experience the consequences for their actions quickly. Cases are quickly brought before the courts. And where offenders have, you know, offended on more than one occasion, they're very likely to serve jail time as a result of that. If it's a first-time offence, there are opportunities for alternative measures. And we try in effect to work in a

significant way on rehabilitation, on opportunities for training, and, depending on the age of the offender, opportunities for employment.

When offenders get out of custody, when they're released from custody, we have an intensive supervision program for people who have offended as a result of committing an auto theft crime. And that means often nightly visits and curfew checks on people who are serving the community portion of their sentence, and significant resources have been invested in this. And as a result of focusing on these chronic repeat offenders, I am pleased to say that we have brought auto theft in Regina down now by more than 40 per cent relative to five years ago.

Similarly we have invested in a strategic crime reduction program in Saskatoon focused on break and enters, and the news there is that we've reduced break and enters by some 26 per cent. So I think these have been very good investments.

But this is not to quarrel at all with the notion that you're raising that we have a problem with crime in our province and that we need to, you know, work very hard in conjunction with municipal government in addressing the issue.

Mr. Toth: — Thank you, Mr. Minister. I guess, Mr. Minister, the question still is out there. And it's spoken of very clearly in this letter to the editor about the individual who still — while you're indicating the number of car thefts have decreased — individuals who still happen to have a vehicle lifted deal with significant consequences as well. They've got to either recoup their vehicle, whatever, whether or not they get it back and how they're compensated. And they have to live with the fact that that may inconvenience them and their ability to get to work or to get to school whatever the circumstance. And I guess at the end of the day is, how are we really going to put a hold, I guess if you will, stop this type of theft.

And I don't want to just link it to car theft, you know. It's people mugged on the streets, and we hear of that quite often, and I don't know what the causes are, what the concerns are. I know that we continue to hear in this province that there's . . .

In fact today's paper as well raises the fact of the number of people using our food banks, raises the concern of poverty and whether or not is . . . that's part of the problem we're facing here or whether it's individuals just out for a joyride because they aren't facing any significant consequences. I think, Mr. Minister, those are some of the issues we need to deal with. And you're quite well aware of your Premier's quote:

We are a government that dreams of a province where women and children and men can live and walk in their communities and walk on the campuses of our province without fear, without fear of violence . . . We dream of a new society without the fear of violence, and we say why not?

Unfortunately 14 years later we still have — while there may be reductions in certain cases — we still have individuals who aren't able to really walk down our streets or some streets in our major cities and even in some areas of our province without fear. And as we discussed last spring, we had a significant dialogue as to how we begin to deal circumstances and deal

with individuals especially repeat offenders.

So, Mr. Minister, I'm going to ask you what specifically are you doing to date to try to begin to address the issue of repeat offenders? And more specifically I think we could do a lot more and maybe we need to address the issue for those who are actually quite young, even as young offenders. Because if we can address them and get them to realize that it's time to change their ways we may get away from the number of adults that continue in crime. And as you mentioned most of the increase in those beds is in adult centres.

So, Mr. Minister, what specifically are we doing? One correction officer suggested more programs, either education . . . There's lack of education for a lot of these young offenders. Other concerns, one individual said to me, a young person said to me, why don't you help me try to figure out how I can improve myself through education or some learning skills or of that nature? And I guess, Mr. Minister, what are we doing to try and address some of these issues?

Hon. Mr. Prebble: — Well I welcome your question. I think it's a very important one and one that we all have to wrestle with on both sides of the House. Well obviously we want to see safe communities, and we're working hard to try to ensure that as a government. In some cases it's not easy.

Let me say first, let me focus on the investments that we are making on the youth side, both in our custody facilities and beyond. As you know, we just had a very important report a few months ago from the commission headed by Wilton Littlechild on Aboriginal justice reform. And we were very pleased to receive that report, and many recommendations were made to our government as well as to the federal government. And this was something that First Nations and Métis peoples participated in, in a significant way and was of great interest to the province. And of course we invested significantly in the preparation of this, in facilitating the preparation of this document.

And I think it provides us with a good guide to measures that need to be taken, and we're acting on many areas of the report already. And one of the key messages in that report is just what you, you know, you raised on, and that is that we need to invest in our social safety net. We need to invest in our youth.

And so some of the steps that we took in response to that commission report, for instance, one of them was that we recognize that an investment in housing is key. So we are funding each year now more than 500 new social housing units in this province, 2,000 over a four-year period.

We are increasing the monies that are made available to ensure that those who are renting accommodation and are low income get decent accommodation. And we have developed a housing supplement over and above social assistance rates that will now go to some 10,000 low-income people both on social assistance and low-income working people. And they will by virtue of that investment receive, depending on family size, up to another \$131 a month; for those with disabilities, up to \$151 per month.

We are investing in new training and economic development opportunities for both Métis and First Nations people. And in

our supplementary estimates in other departments, you'll find important strategic investments in economic development for First Nations and for Métis. So we are not just wanting to focus our investments on the justice system. You'll find in education, in health care, in social services, in the Saskatchewan housing program important investments that are good social policy and also good crime reduction investments.

In addition, in our custody facilities — and I'll focus on youth here — we have tried to enhance our education programs in our custody facilities. We have small classrooms with five or six students. We try to work with them quite intensively in terms of addressing their educational needs, where they're at in terms of their level of learning because many of them have not succeeded in school. Most of them have not completed high school. Some have not completed elementary school. So we are providing, you know, skilled teachers for, basically, these youth in a small group setting. And I think that is the way to go.

And we are trying to support those youth when they leave our custody facilities in staying in school because we see that as key to their success and preventing a repeat of their criminal activity. And the last third of their sentence is now served in the community under the Youth Criminal Justice Act, the federal legislation. So these youth are supported in staying in school, and our staff work very hard with the school system in trying to make sure that that happens.

We have also tried to make strategic investments in crime reduction aimed at children, as you were suggesting. And for instance in North Battleford, the North Battleford City Council has worked with us on our crime reduction strategy. It's been a joint effort. They've done some very good work locally, and they've managed to reduce crime in their community in the last year by 8 per cent. And an important part of their crime reduction program is aimed at children under 12 years of age, and I think that was a very good decision by the North Battleford municipal council. And we're pleased to be able to work with them in supporting it.

So, I mean, these are example of what we are trying to do. We don't pretend that this is, you know, going to fix all the problems, but we think we are moving in the right direction.

And we have seen, you know, some small signs that are hopeful. I mention some of the statistics, in particular urban centres on a province-wide basis. Property crime is down 6 per cent in 2004. Violent crime is down 2 per cent. Obviously we'd like to move those down a lot more, but at least they are going down and not up.

Mr. Toth: — Okay thank you, Mr. Minister. Mr. Minister, when it comes to housing, I think one of the concerns out in housing for a number of years has been the fact that if someone has a rental property or if someone else owns it, there's a lack of care or concern for that property. And you're talking of a number of units a year. And I guess I'm wondering, Mr. Minister, if there are any provisions in place to, if you will, help people to realize this is their home, and they need to look after it and care for it rather than trash it.

We've seen too much of this in the past. And somehow or other there has to be some personal initiative taken on behalf of those

homeowners to actually accept the fact that while they are renting, it is still a property that, if they want it to look nice and create a good environment for their family, they need to care for it. And considering the fact that we have people who haven't really haven't had various positive environments to come out of, might be it's quite easy just to continue in that direction.

So I think we need to certainly work at creating a more positive environment for these families who are moving into these housing units so that they continue to add to . . . and I think there's no doubt as go into some of the inner city, the types of housing.

I believe it was just the other night, a group — and I'm not sure if it was in Saskatchewan — was making an all-out effort on their own to try to improve inner city environments and neighbourhoods. And no doubt if that new homes and yards are kept up, it's going to. I would think it should create a better and a more healthier feeling amongst individuals and hopefully, even through that, impact young people and their views as to whether they get involved in criminal activity, whether they get involved in gang activity.

And I know the problems involved in gang activity. The fact that young people are influenced fairly easy by their peers, if that's what's available, they're probably going to be as influenced that . . . Whereas if we can create more positive environments even through housing, if we can address that.

Continued learning, you as well talked about learning opportunities. And I think the important part here is a continuum after, say, a time in correctional centre. Because from what I'm hearing the time that a lot of individuals spend in a correctional centre really doesn't allow sufficient time to really get into an effective educational program or skills training program. And I think we need to certainly move in a direction that somehow we just add to and follow through on those programs.

I want to ask one question in regards to the Ranch Ehrlo Society. What role do they play in assisting and dealing with youth and youth crime and helping young people to better themselves? We did a tour about a year and half ago to the Ranch Ehrlo Society, and I know that they offer a lot of educational opportunities. But are they a direct part of the correctional services or are they basically a private service that . . . and what role does the government utilize in using their services?

Hon. Mr. Prebble: — Well Ranch Ehrlo plays an important role in our community. They're not funded directly by the Department of Corrections and Public Safety. I believe they are funded by the Department of Community Resources and Employment.

And if you could ask for the details on the funding arrangements in those estimates, Don, that would be good. And I know we'd be very happy to provide it. In fact I can make sure that Minister Crofford, who I'm sure is listening, together we'll make sure you get that information. Because I realize we've done DCRE estimates.

And secondly on the question, I agree with this point that

you're making. I think we're in agreement that we want to foster home ownership in our communities. That's key to neighbourhood stability and I think it's key to safer neighbourhoods. And we've been trying to do that through our housing programs.

I mean obviously there's room for good-quality rental accommodation — we're always going to need that — but we want to foster home ownership. And for instance in my home city of Saskatoon where we've invested in social housing, many of those investments have been geared at home ownership.

And Quint Development Corporation there works with our provincial government. And we invest in helping them to encourage, for instance, options that will move people from rental, a rental arrangement, to taking responsibility for actually owning the home that they've been renting and becoming a homeowner over a period of two or three years. So we've been trying to foster that, not just in Saskatoon but in inner-city neighbourhoods in Regina and Prince Albert as well.

Mr. Toth: — Mr. Minister, as well you talk about bed increase. And back in the spring we also talked about new initiatives regarding the Regina Correctional Centre and replacing one of the more aged wings of the correctional centre.

The number of beds that you're adding to the system, exactly how are you going to accomplish this at this time? Are you indicating that there are beds available that haven't been utilized, and you're going to put them into use? Or do you have to create new space in facilities to accommodate these beds? Exactly how do you plan on achieving this goal?

Hon. Mr. Prebble: — Right. Well essentially what's happening . . . I'll maybe just say two things about Regina Correctional Centre to respond to your question. The first is, as you know, we're building a new wing of the Regina Correctional Centre to replace the oldest part of the centre. So we're building 216 new beds. And this will replace the 1913 portion of the Regina Correctional Centre.

And my intent as minister is to see the old part of that building bulldozed once the new beds and the new facility have been completely built and are opening. And we should see opening by June 2008. So in a little less than three years from now, the old part of the Regina Correctional Centre will no longer be in use.

In terms of the current situation around beds, what's basically happening is that we are having to . . . There are parts of the basement of the Regina Correctional Centre that because living conditions are not good we've been trying to avoid using those as much as possible. Sometimes we do need to use them.

And I just want to be clear with respect to the 216 beds I made reference to. We're not adding beds here; we're replacing beds with the new construction. But what we are required to do at times, not just at the Regina Correctional Centre but at all our correctional facilities, is, you know, use space to the maximum. And that's where you get into the . . . It's not that additional beds are being created but it's that the existing space is being used to the maximum and additional staff are having to be assigned to the units as a result of that.

Mr. Toth: — Thank you, Mr. Minister. Mr. Minister, I want to move for a moment to public safety and the provincial disaster assistance program. And I think, Mr. Minister, in our debate last spring, I noted that actually you were putting fewer dollars into the provincial disaster assistance program. The estimate for '04-05 is 1.5; '05-06, you came in with an estimate of just about 600. Million dollars?

A Member: — Thousand.

Mr. Toth: — Thousand dollars. Yes, \$550,000.

And I think at the time we had discussed and I'd asked you whether or not you were basically looking forward and anticipating that no, we wouldn't need this type of funding any more. And I think I suggested, what if certain disasters happen? How do we address this? And now I notice we're coming forward, not just for \$1 million more, but 14.6.

And no doubt this year happened to be one of those years when we had situations in our province and that impacted the province and individuals significantly. And I note, especially in the Northwest, some of the Northeast, north central that . . . areas where people had been experiencing drought for so many years and now they're overwhelmed by moisture conditions that they hadn't seen in decades and the circumstances that evolved.

So I guess, Mr. Minister, as we look at the dollars that have been . . . you've now had to ask for and the allocation of this 14 million, as we look down the road in your crystal ball, what do you foresee? How are we going to . . . Is this the one-time hit or are we going to be planning in the future to maybe not cut back so dramatically in view of the fact that we just can't prepare ourselves for tomorrow in case that disaster hits?

And the other question that arrives — and my colleague has a number of questions in this regard as well — is of the concerns that have been raised, the issues that have been brought to light, whether it's on the municipal or the provincial level, the amount of dollars you're expending here, is this covering 100 per cent of the losses or close to, or how much are individuals and municipalities still out even though the government has come to the forefront to try and assist them in this disastrous year?

Hon. Mr. Prebble: — Well, Don, those are very important questions. So let me just start by saying that last year, with respect to the budget this year, I indicated, first of all, that the 550,000 that was originally budgeted for reflected the average spending over the last three years.

You know there were years over the last three years where we spent less than \$350,000 and we took the three-year average in terms of formulating a budget estimate. But I also said at the time that in the event that more money needed to be allocated to this program because of natural disasters, that I would be going to cabinet and ensuring that this program was properly funded. And I think that's what you're seeing here today.

And I don't think anybody could have forecast the number of natural disasters that we've had with 84 municipalities being eligible to apply for provincial disaster assistance this year. That's unprecedented in Saskatchewan.

In terms of the future, I think you rightly ask questions there that are important because I think we can expect more severe weather events in the future in Canada. Whether we'll be struck by them in Saskatchewan next year . . . hopefully we won't, but there's no way of knowing for sure. We need to be prepared. But the trend across the world, if you look at the global trend, is that there has been an escalation of severe weather events over the last decade. Some of this, scientists, many scientists believe is related to global warming. Not all of it but some of it.

And I think we need to be prepared and therefore we're encouraging communities to prepare emergency plans. We're out training volunteers and municipal leaders, at least 200 a year in emergency planning preparation. And we've had staff on the ground this summer who worked very hard with municipal governments to respond to emergencies. And we've had a great volunteer effort by the way, in this response too in local communities.

In terms of whether this is enough, it may not be. It may be that the \$14.7 million of additional money that has been allocated won't quite do it. And if it's not enough I will go back to cabinet requesting additional funding again. And it's just impossible to tell yet, because while we are certain that we'll have claims from 29 municipalities and while we've already received 1,299 claims as of last week and expect this will exceed 1,500, there's no way of knowing exactly how many claims will come in. We could be looking at as many as 1,750.

And in terms of answering your question about, do we cover all the cost — no, we don't. The claims are . . . in terms of individual private claims we cover, just to be clear, this is for essential, non-insurable property. So for a homeowner for instance, that's been flooded out, we wouldn't cover damage to landscaping, but we would cover damage to carpeting, damage to drywall, damage to the other structures inside the home that are obviously essential to the home. And we cover 80 per cent of those costs and the homeowner covers 20 per cent.

If you know, if damage has been done and the damage is covered by private insurance, we don't step in. Private insurance covers that. We're covering the uninsurable costs and in this case those are large. You know, we're looking at total damage of more than \$20 million. It'll be somewhere between 24 and 28 million when the final calculations come in.

And we're stepping in and covering with the existing budget, and now the additional monies that have been extended, more than fourteen and a half million dollars. Of that, 24 million roughly is going to be picked up by PDAP [provincial disaster assistance program] so this is a significant investment, but we're not covering all the costs.

And with respect to municipalities, the way that this works is that again it's a cost-shared arrangement. We pick up the first . . . the first 0.558 mills of cost is picked up by the municipality with a maximum of \$1 million, so that we don't let it go over a million. But the first, for a smaller municipality, the first 0.558 mills is their responsibility. The next 0.558 mills is shared between the province and the municipality. And then the next 0.558 mills is 75 per cent provincial, 25 per cent municipal. And then from there it goes 90/10.

So for a community like Arborfield that was hit very hard, for instance, the province would pick up the vast bulk of the cost in terms of repair of bridges, roads that have been washed out. If the damage is pretty minor and largely say related to cleanup costs and things like that, it will probably be the municipality that is picking up the bulk of the cost.

The Chair: — Mr. Elhard.

Mr. Elhard: — Madam Chair, I want to direct just a couple of very specific questions to the minister on this very topic.

As you would know or recall, the southwest part of the province was hit by a couple of pretty serious tornadoes in late June and there was significant damage to individual farms as opposed to municipal damage, although that did occur in some instances as well.

So if the disaster program that you're talking about covers otherwise non-insurable damage in a farmyard or in a ranch yard, I assume we're talking almost exclusively about corrals and pens of that type, windbreaks, and so forth. Can you outline for us precisely the process for those people affected by that kind of damage, what it is they need to do? And will the provincial department send out appraisers or inspectors to their yard to determine the extent of loss and to calculate what portion of the loss might be covered and so forth?

Hon. Mr. Prebble: — Let me just say here first, that the first step is for the local municipality to, you know, declare itself to be a disaster area and to apply to the Department of Corrections and Public Safety, specifically the public safety unit, for a declaration of being eligible to apply for provincial disaster assistance program.

And what is basically required in these situations — and I mean in general these municipalities will, in the vast majority of cases, qualify — is that you need to have, you know, \$25,000 of damage for homeowners in the municipality.

And so presuming that that's the case, then what you're looking at is a process whereby the individual homeowner can make application, or the municipality can make application, or both depending on if, you know, if roadworks and bridges were affected by the disaster. Which is probably more likely to have been the case in a major flooding situation than in a tornado, but it's possible that a bridge could be damaged by a tornado of course, as well. Say it was, then the municipality would be eligible to apply. Or if the bridge was washed out from a major flood, the municipality would be eligible to apply.

If damage was done to the home in the case of a tornado, what would happen, Wayne, is that the private insurance would basically cover the homeowner's cost. So if the homeowner had the misfortune of losing their roof during the tornado, that would be covered by private insurance. If the homeowner faced major cleanup costs, that would be covered through the provincial disaster assistance program.

If there was damage to corrals — I'm just going to have my senior staff person correct me here if I'm wrong — but I believe that would also be covered through the provincial disaster assistance program. And so that is kind of the breakdown.

If it's uninsurable, the provincial disaster assistance program will be there for the homeowner on an 80/20 basis up to \$100,000. If it's covered by private insurance, then obviously the primary relationship then is between the homeowner and the private insurance company. Often it's a mix of both and in that case we have an auditor on the ground who works with the private insurance company to sort out what is it that the private insurance company is going to cover and what is it that the provincial disaster assistance program will cover.

So to answer the last part of your question, an auditor will be sent out to assess the damage and visit with the homeowner and assess what is non-insurable that PDAP will cover and what is insurable that they'll need to deal with their private insurance company on.

Mr. Elhard: — You wouldn't have expected the homeowner or the property owner though to wait until a provincial government auditor saw the extent of the damage, would you?

Hon. Mr. Prebble: — Well first of all, I mean, homeowners in practical terms need to get, you know, they may need to get some things done right away just for obvious reasons of safety, and so interim work can be done without the adjuster coming out. But we always recommend to the homeowner if the adjuster hasn't come out yet to be sure to take pictures and document it on film before starting the repair work. But if there's things that need to be done to just protect the basic safety of the dwelling, obviously that work needs to get done.

And I'm going to invite our public . . . I'm going to invite Tom Young to maybe speak to this a bit more just so that you're getting complete information here. I just want to make sure I'm not leaving anything out. So I will ask Tom to just jump in if that's all right.

The Chair: — Just to make a comment. The committee is running overtime so could your answer be fairly short. We have members that have made commitments and have to be out of here. A supplementary answer would be appreciated.

Mr. Young: — All right. I'm executive director of protection and emergency services. What the minister outlined is basically correct. To clarify, the adjusters that do go out are private adjusters that are retained by the program and they are experienced in their field. And so they go out and they give estimates of what is the extent of the damage and the requirements of the program. That then comes back to us in terms of a report and we send a letter out to the claimant giving them a go-ahead to proceed with the repairs. And when the repairs are finally in and the final costs are in, then an assessment is made in comparison with the adjuster report and payment is then processed.

Mr. Elhard: — Madam Chair, I think we can pursue this line of discussion off the record with the staff that are here. For now though I would just move:

That this committee adjourn its consideration of supplementary estimates for the Department of Corrections and Public Safety.

The Chair: — Thank you. Mr. Elhard has moved:

That we adjourn discussion of the supplementary estimates for the Corrections and Public Safety department.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Thank you. Mr. Toth.

Mr. Toth: — Just one quick comment. Thank you to the minister and your officials for coming and assisting us at this time in this hour of the day. I appreciate it.

Hon. Mr. Prebble: — Thank you, Wayne, for your questions as well. And thank you, all members of the committee, for your strong interest in this. And I want to extend my thanks to my staff who are here as well. Our officials have served me very well, and thank you.

The Chair: — Thanks very much to the minister and his officials. And the committee is now adjourned.

[The committee adjourned at 18:55.]